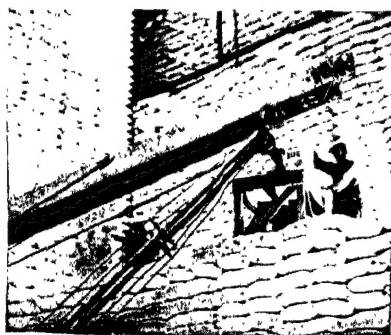
SUGAR *into* COTTON

SIXTEEN STATES produce cotton.

EIGHTEEN STATES produce sugar beets.

The sugar beet is one of the economic links between the North and South. Every year for several years the beet sugar industry has been increasing its use of cotton—increasing its use of cotton bags, cotton bag-liners, and cotton filter cloth. Tightly woven cotton bags, millions and millions of them—protect the purity and sweetness of beet sugar—from the time it leaves the sugar factory until it reaches the consumer. Packed in snowy white cotton, beet sugar goes continually to many states below the Mason and Dixon line—thousands of carloads of it in a year.

The use of cotton illustrates but one of the many ways in which beet sugar production brings benefits to men and industries in virtually every part of the Nation. Cotton, coal, coke, oil, gas, limestone, sulphur, steel, industrial machinery—all of them enter into the production of pure granulated sugar extracted from beets each year, enough for 30,000,000 people.

Sugar beets are a major farm crop *never* produced in surplus quantities in the United States. Every acre devoted to beets is an acre withdrawn from the production of some "problem" crop.

One of a series of advertisements to promote the sale of beet sugar and to remind—

—America of the resourcefulness, efficiency and necessity of the beet sugar industry

UNITED STATES BEET SUGAR ASSOCIATION

GOLDEN CYCLE BUILDING

COLORADO SPRINGS, COLORADO

CURRENT HISTORY

APRIL 1936

Looking Forward to November

By RAYMOND B. CLAPPER*

PRESIDENT ROOSEVELT'S three years have not been crowned with the rosy success described in the political speeches written for administration spokesmen by the master ghost writer, Charles Michelson. Nor have they been the menacing failure pictured by speakers on the white list of the American Liberty League.

During the Roosevelt administration the nation has achieved a marked measure of recovery. Business is more than 90 per cent of normal. In some lines it exceeds the 1929 peak. Yet more than 10,000,000 employable men and women remain idle, supported largely on government relief. While such a mass of manpower lies unused, its consumption and that of many million more dependents whittled down to bare subsistence, neither full recovery nor the more abundant life can be said to have been achieved, even if many of the New Deal's most eminent critics are once more enjoying generous dividend checks.

*The author of this article is a well-known Washington political commentator.

As we look forward to November, we must understand what Mr. Roosevelt is driving at. That not only throws light on the extent of his success; it points to the future policies he will pursue if he is re-elected and thereby released from the inhibitions imposed by political necessity upon a President seeking a second term. While many of Mr. Roosevelt's measures have been hastily improvised, there are some general fundamentals that, in all probability, he is stubborn enough to insist upon establishing if he receives a new mandate next November.

Enough labels have been pasted on President Roosevelt to cover the luggage of a globe-circling tourist. Orators have cast him in every rôle in the political catalogue. They have said he was a Hitler, a Mussolini, a Stalin. Speakers have in one breath denounced him as both a Socialist and a Communist. Extreme left wingers view him contemptuously as a gay reformer, a country squire, doctoring his patient with bread pills. Alfred E. Smith says

he is trying to take the country to Moscow. Norman Thomas says Roosevelt has carried out the Socialist policies—on a stretcher. Recently the Governor of California astonished his fellow-Republicans by declaring that Mr. Roosevelt was a man raised up by God to save the country in its crisis.

Disregard these various thumbnail psychographs volunteered from the political stump and look back through the perspective of three busy years. To this ring-side observer at least, Mr. Roosevelt appears to have directed his principal effort to restoring the traditional private competitive system. Thus, in an address to the Commonwealth Club of San Francisco some weeks before he was elected, he expounded his idea of the function of government in the modern world. He recognized evils in the present system, but he said nothing to indicate that he thought the way to deal with adenoids was to chop off the patient's head.

More significant is the explanation of objectives given by Mr. Roosevelt in response to a question at his press conference on June 10, 1935, when he had been in office more than two years. The statement is especially revealing because it was given on the spur of the moment during the rapid-fire questioning of a large group of newspaper correspondents.

The question was asked. Mr. Roosevelt puffed his cigarette, gazed at the ceiling a moment and said: "The social objective, I should say, remains just what it was, which is to do what any honest government of any country would do—to try to increase the security and the happiness of a larger number of people in all occupations of life and in all parts of the country; to give them more of the good things of life; to give them a greater distribution not only of wealth in the narrow terms but of wealth in the wider terms; to give them places to go in the summertime—recreation; to give them assurance that they are not going to starve in their old age; to give honest business a chance to go ahead and make a reasonable profit and to give everyone a chance to earn a living." It would take very good eyes, indeed, to see in that any menace to the existing competitive system.

Those are the general long-term objectives. They involve readjustments, improvements, corrections, but they are predicated on the retention of the system, not its abolition. There is no evidence that Mr. Roosevelt has any other purpose than to try to make that system work as well as possible for the people as a whole instead of for a limited group. It is precisely because extreme left wing critics, who want State socialism or some other form of government, fear that Mr. Roosevelt will thus be able to tinker the existing capitalist system into a new lease of life that they are so bitterly contemptuous of him.

To understand a good many of the frantic things that happened, particularly in the earlier months of the administration, it is necessary to keep in mind that, in the four months between election and inauguration, the depression turned into panic, and that at the moment Mr. Roosevelt took office the country was paralyzed. Action was imperative—not careful, deliberate planning but quick, decisive action. Conditions called for emergency measures. Long-range dreams had to give way to instant practical action.

So it seems strained now to be complaining about Roosevelt's seizure of dictatorial powers. Only a short time before his inauguration Senator

David A. Reed of Pennsylvania rose in the Senate and, as a leading conservative spokesman, declared that what the country needed was a Mussolini. Less than three weeks before inauguration, the new Governor of Kansas, Alfred M. Landon, one of the few Republicans who survived the Roosevelt landslide, was asking: "Why not give the President the same powers in this bitter peacetime battle as we would give to him in time of war?" We forget the acclaim with which John D. Rockefeller Jr., Charles M. Schwab, Gerard Swope, President Harriman of the United States Chamber of Commerce, and even the hard-boiled kings of the steel industry greeted the NRA. They saw it then as a great adventure in reconstruction, to use Rockefeller's phrase.

True, Mr. Roosevelt had pledged himself at Pittsburgh to strive for a balanced budget, to cut government expenses, to exact an economy pledge from every prospective Cabinet appointee. True, one of Mr. Roosevelt's first acts as President was to ask Congress for power to use the economy knife on veterans' allowances.

But Mr. Roosevelt quickly changed his course and launched upon a program of pump-priming expenditure. He became convinced that the deflationary spiral must give way to forced spending. Accordingly, overnight he abandoned his economy policy and began to pump out billions in government expenditures, in loans and in gifts to individuals, to communities and to whole States. He is still doing it. While he has not convinced the country, perhaps, he has gone ahead doggedly in face of criticism, rage, ridicule and solemn warning, believing that results will in the end vindicate his spending.

Price levels, Mr. Roosevelt concluded, were too low. The country was carrying a heavy load of debt incurred at higher price levels. One of two things had to happen. Either prices must be forced up so that debts might be borne or the debts must be repudiated by inflation or moratoriums. Congress had become so impatient that Mr. Roosevelt was hard pressed to fend off the paper-money inflationists. Finally he had to accept a compromise giving him discretionary power, which he did not use, to issue paper money up to $3,000,000,000—that was the Thomas amendment attached to the Agricultural Adjustment Act. The simplest course seemed to lie in raising the price level. In groping for weapons in this desperate struggle Mr. Roosevelt used AAA, NRA and even manipulation of the price of gold. He was willing to try anything once—and almost invariably did.

Most of what happened is well known. The important thing is how we came through it. True, we hear very little cheering—and practically none from the great capitalists whose system was saved from possible destruction in those black March days of 1933. Yet the National City Bank, in its economic reports, states that "the year 1935 closed with business activity at the highest level in more than five years, and with signs of recovery more widespread than at any time since the turn of the depression was reached in 1932." Some industries, making consumption goods, are doing more business now than they did even in 1929. Some of the heavier industries, such as machine-tool manufacturing, steel ingots, pig iron and foundry equipment, have reached the highest levels since 1930. Some mail-order and chain-store houses report greater sales than in 1929.

No sensible person can insist that

all this is due entirely to the Roosevelt policies. But those who argue that it has happened in spite of those policies must also cease saying that the recovery is not genuine, that it is the artificial result of government spending, particularly through AAA. And they must also acknowledge that if private industry alone is responsible for business improvement the 10,000,000 still unemployed are chargeable to a failure of industry. It is probably more accurate to say that praise and blame go hand in hand.

But whoever is to blame, the discouragingly slow progress in re-employment remains the great failure. The administration has no solution. It is simply trying to prevent starvation and sustain morale by putting part of the unemployed to work at any odd jobs that can be devised. Republicans have offered no solution except more recovery. But is that a solution? The National Industrial Conference Board estimates that if business activity were restored to 1929 levels we should still have 5,000,000 unemployed. Obviously something more than so-called recovery is necessary to absorb the surplus labor supply.

In face of that situation any relief policy can be, at most, only a palliative. The administration's relief effort has been marked by waste. Politics has crept in. Much of the made-work is of little use. Perhaps the best that can be said is that it has, on the whole, prevented a complete collapse of morale among the unemployed and restrained them from disorders or from attacking our form of government. Their patience in enduring idleness and privation, in a land abundantly rich in resources and plant facilities, is attributable in part to the sympathetic approach of relief officials at Washington. Costly as the relief policy may be in dollars, perhaps it has been cheap insurance against revolution.

Through this difficult period Mr. Roosevelt has scattered billions with abandon and has run up the national debt to more than $30,000,000,000. Never in peacetime have expenditures leaped so far ahead of revenues. Mr. Roosevelt is staking his budget policy on the belief that, with full recovery, the nation will be able to pay the bill. As against a wartime debt of some $26,000,000,000, the administration insists that $30,000,000,000, or even $40,000,000,000, is not excessive. Part of this money, it contends, is being spent for constructive purposes, as in the case of public works, so that the nation will have improved its plant. Part of the money, it says further, is out on loans to save farms and homes from foreclosure and railroads, banks and other institutions from bankruptcy. Most of this will eventually return to the Treasury.

Politically it is difficult to explain away this huge debt and the continuing deficits. They are a campaign liability. Yet they have not shaken the confidence of the business and financial world. Business men complain, but they do not act like men who expected the government to collapse. Their main anxiety is to check the spending before it overstrains public credit. Their pressure is causing Mr. Roosevelt to tighten up, belatedly.

Considering the pressure of inflationist sentiment, Mr. Roosevelt has been able, by bending slightly to the storm, by humoring the silverites even to the extent of adopting an ill-advised silver-purchase policy and by his heavy spending, to muffle the extremists who might otherwise have wrecked the monetary foundations of the government. All this relates to

Mr. Roosevelt's battle with the depression and its panic, to his day-to-day struggle to keep the nation out of a tail spin and to start economic machinery moving again. Probably he would be the last to insist that everything he has done was the best that could be done. There have been conflicts, mistakes, half-baked measures. But sometimes you use dynamite to save a burning city.

While NRA was born primarily as an emergency measure to provide quick re-employment, it rapidly assumed major proportions in Mr. Roosevelt's mind as a long-range method of dealing with industrial maladjustment. As such it promptly took its place in the group of agencies concerned with the slow process of bringing about the more abundant life as contrasted with policies such as relief and public works that were wholly emergency in purpose.

The failure of NRA was undoubtedly one of the major setbacks to Mr. Roosevelt's administration. This act, although sadly marred by misguided administration and invalidated by the unanimous opinion of the Supreme Court, may yet, so far as its essential purposes go, take its place as one of the great strokes of statesmanship and one that deserved a better fate. This bitter experience is worth keeping in mind, because the conditions with which Mr. Roosevelt sought to deal were not buried with NRA. On the contrary, they still demand attention.

Long before Mr. Roosevelt took office, he saw widespread dissatisfaction among business men over the anti-trust laws. Business men had importuned Harding, Coolidge and Hoover to do something about these laws, which, established to prevent monopolistic control over prices, had operated to restrain business men from avoiding unfair cut-throat competition, competition that in the long run forced down wages and working standards. This tendency became still more marked during the depression, when the fight for business grew more desperate.

Before Mr. Roosevelt could formulate any long-time proposals to deal with this situation, a legislative crisis developed in Congress. Labor, impatient with continued unemployment, demanded passage of the Black Thirty-Hour-Week Bill. The Senate passed the bill early in the Roosevelt administration, and it was set to go through the House. This would have put industry in an arbitrary strait-jacket, and Mr. Roosevelt sought to ward off such an extreme measure. Nevertheless, it was imperative to stimulate speedy re-employment.

Mr. Roosevelt and his advisers took the two demands, that of business for an easing of the anti-trust laws and that of labor for shorter hours in order to provide more employment, and dovetailed them into the National Industrial Recovery Act, with the government representing the public as a partner. It was substituted for the Black Thirty-Hour-Week Bill and quickly passed.

NRA had failed before the Supreme Court struck the final blow. Not only was there maladministration, a resort to compulsion where persuasion was the only method that would work in the long run, but the program was too comprehensive. It sought to cover too many industries and small trades and it tried too minute regulation. As the structure was set up by General Hugh Johnson it was so contrary to American traditions that after the first burst of super-emotion the whole effort collapsed.

There will be no revival of NRA, but the search for some solution to the

present industrial anarchy will be resumed. In fact, it has been already. Various industrial groups, such as the Textile Institute, aided by several other industrial organizations, are asking for relaxation of the anti-trust laws so that they may, within their respective industries, put into effect common understandings with respect to fair competition, labor conditions and schedules of production. The Sugar Institute went to the Supreme Court seeking a more liberal interpretation of the anti-trust laws to permit similar cooperation within its industry. Other trade groups joined in filing briefs in support of the Sugar Institute's case.

Economic students are working on the problem from another angle. More and more they are realizing that a solution lies in the drastic lowering of prices so that consumption will be increased. The pioneering work of the Brookings Institution, whose data on the subject still remain the basic material of subsequent studies, has greatly contributed toward clarifying the problem. These studies show over-savings in the upper brackets and under-consumption in the lower. If the principle of increasing volume through low prices, introduced by Henry Ford into the automobile industry, were applied to all industry, these economists argue, there is almost no limit to the quantity of goods the country could consume, thus increasing employment and raising the standard of living.

Mr. Roosevelt has launched a revised Federal Reserve System, clothed with greatly increased powers designed to enable the government, largely through this agency, to steady the economic and financial machinery of the country so as to restrain wild speculative booms such as that which burst in 1929 and to pump in easy money during times of threatened stringency. These new powers in detail have just been placed in the hands of the new board and only the future can tell how effectively they can be used.

Another long-range policy was put into operation in the stock market and securities regulation and is gradually going into operation under the Utilities Act. This legislation was designed to protect investors, to provide them with full information, to regulate stock market and financing practices for the protection of investors, and to eliminate speculative abuses as well as the financial racketeering practiced by certain corporation executives during the late boom. The legislation is not designed to keep a fool and his money together, but it is intended to help eliminate secret practices that leave the investor at a disadvantage.

Some of the legislation has been severely criticized, but of late, particularly since some restrictive features were eliminated by amendment, it has been more acceptable in financial quarters. Wall Street had confidence in Joseph P. Kennedy, who became the first chairman of SEC after a career as a market operator, for in him it felt that it had an official who understood the practical operations of the stock market. He was replaced by James M. Landis, who likewise generally commands the confidence of the financial world.

This illustrates perfectly the importance of administrative personnel at Washington, and by contrast it emphasizes how many of Mr. Roosevelt's troubles have been due to misguided or tactless lieutenants. Not only has business been apprehensive of the broad power granted to regulatory agencies but it has been frightened by what individual officials might do with such power. Time and again of-

ficials have been placed in command who were privately hostile to the business men with whom they were dealing. They were naturally unable to win the cooperation necessary to effective functioning. In this connection Mr. Roosevelt has also suffered greatly from unwise and careless talking by his lieutenants. Many of them have seemed to be experts in rubbing the public the wrong way.

One of the most significant long-range enterprises is the Tennessee Valley Authority. The success of the administration in its recent test in the Supreme Court has tremendously restored the prestige of TVA and encouraged the administration in moving forward toward the development of similar regional electrification projects in other parts of the country. Increased use of cheap electric power has long been a dream of Mr. Roosevelt. It may be taken as certain that, unless checked by the courts, he will devote much attention in the future to its further realization, in the Columbia River Basin, the St. Lawrence, the Mississippi Valley and elsewhere.

Although AAA was created in the haste-driven emergency period, it had taken shape in Mr. Roosevelt's mind before he was elected. Frustrated temporarily by the Supreme Court, he is again seeking roughly the same objective through an expanded soil-conservation policy.

In immediate and spectacular results AAA, aided as it was by the drought of 1934, probably was the most successful of the administration's recovery policies. It raised farm incomes, thus stimulating a revival of retail trade in a large section of the country. As a permanent institution the new emphasis on soil conservation, instead of mere control of crop acreage, may prove to be far more valuable in preserving our rich heritage of natural resources. However much political critics opposed the crop-restriction program, they are all committed to soil conservation, and Mr. Roosevelt has, through the ill wind that wrecked his AAA, been blown into the arms of an infinitely more popular conception—that of using the Federal power to preserve the soil of the nation.

One of the tragic failures of the administration has been its futile effort to stimulate housing. The program for subsistence homesteads that would attract industry to colonies of transplanted workers has been abandoned. Industry would not move out to the colonies. PWA's attempt to build low-cost houses has been a mistaken attempt to put the government into the landlord business, saddling it with the combined duties of owner, janitor, rent collector, plumber. Few think the government should have attempted to build and operate low-rental apartment houses. Fortunately, it has not ventured far in that direction. But there is need for millions of new homes, particularly for inexpensive dwellings where city slum-dwellers may find decent living quarters within their means. Legislation that will provide municipal authorities with long-term government loans and some subsidy with which to replace slums is in the New Deal hopper, awaiting enactment.

Social security legislation carries forward another permanent objective of the administration, bringing the United States at last into an activity that has been established for years in older countries. Our new social security code is just going into effect in those States that have set up their own systems conforming to the standards fixed by the Federal Gov-

ernment as a requirement for Federal aid. While it is generally expected that numerous perfecting amendments will be necessary as soon as the system becomes fully operative, there are so far few signs of how the experiment will be received by the country. Though it is universally endorsed in principle, its ultimate fate depends upon how practical it proves in operation. Particularly until defects have had time to become manifest, the legislation lends itself to strong political appeal.

This in a broad way summarizes the more important domestic activities of President Roosevelt's three years. Despite intense absorption in our problems at home, the administration has been surprisingly active in foreign affairs in many directions. The policy of armed intervention in Latin-American countries has been abandoned and relations south of the Rio Grande have been vastly improved. Much of this is due to the tactful work of Secretary of State Hull, one of the few prominent members of the administration whose prestige during the last three years has gone up instead of down.

The Roosevelt administration has had no more success than its predecessors in checking the headlong armament race and has been compelled to enter it with a policy of expansion in both the army and the navy, while attempting through limited neutrality legislation to avoid entanglement in foreign wars. Timid attempts to co-operate with the League of Nations in applying sanctions to Italy failed to win public support and were quickly dropped. Relations with Japan have grown slightly more tense since the breakdown of the London Naval Conference. Concern exists lest she attempt to extend her sphere of influence not only further into China but also into the Philippines, from which the United States is now withdrawing.

Most notable in the field of foreign affairs is the reciprocal trade program of Secretary Hull, launched to counter the world-wide tendency toward self-sufficiency, which, through steadily rising tariff barriers and import restrictions, was choking international trade. While isolated interests in this country have complained, public sentiment generally has supported this policy, so much so that when the Canadian trade agreement was signed, drastically lowering many tariff schedules and opening the way for an increased exchange of goods, the Republican National Committee chose to remain discreetly silent. The reciprocal trade negotiations, however, have slowed down because of the uncertainties in Europe resulting from the Italian invasion of Ethiopia.

These, in general, are the accomplishments, the failures, the unrealized hopes upon which President Roosevelt will be judged by the country next November. They have been part of a time of stress and abnormal conditions which at once added confusion and distraction to the effort and yet, in many instances, caused the country to be more receptive to them. President Roosevelt has labored under great handicaps. Yet so desperate was the situation of the country that it was, for a time at least, eager to follow his leadership.

But does the country now wish to continue along the general path of improvement of the existing system to which President Roosevelt is committed? Or does it believe that the system was good enough as it was under Harding, Coolidge and Hoover? That is the real question to be decided in November.

Britain's Way in World Politics

By KARL RADEK*

THE foreign policy of Great Britain has always appeared to European observers to be something of a mystery. The frequent contradictions between the words and deeds of British diplomacy and its tendency to present the defense of the interests of the British bourgeoisie as the defense of peace and humanity gave rise even before the Napoleonic wars to the expression "perfidious Albion," an expression always used by governments when their interests collided with those of Great Britain.

In Czarist Russia the conviction that "England is a nuisance" was widespread even when Czarism, beaten in the war with Japan, began to make a deal with British imperialism. In the period of collision between German and British imperial interests, Germany made every effort to spread the idea of the exceptional perfidiousness of British foreign policy. In France to the present day there are very strong anti-British tendencies. In America a considerable section of public opinion is convinced that, if the United States cooperated with Great Britain, the inevitable result would be that the United States would be induced to draw Great Britain's chestnuts out of the fire.

On the other hand, in all capitalist countries there exist parties that arose under the influence of British liberalism and that admire British foreign policy no less than the British Parliament and English culture. There is no need to say that the public opinion of the Soviet Union, which has been reared on the teachings of Marx, Engels, Lenin and Stalin, does not admit either of Anglophobia or of a reverential attitude toward British policy.

Great Britain, though no longer the tyrant of the world market, as Marx called her, remains to the present day the chief citadel of capitalist domination and the most powerful influence on the course of world politics. Great Britain's world-wide interests compel her to be active and to assert her power everywhere. Nevertheless, British policy is no more selfish, no more perfidious, than the policy of any other imperialist power. It is simply more complex.

The period of Great Britain's world domination was very short—the half century from the repeal of the Corn Laws to the end of the nineteenth century—to the rise of German and American imperialism. After the Napoleonic wars and the severe economic and social crisis of the first half of the nineteenth century, Great Britain rose to power for a variety of reasons. But now the basic factors of British world domination have changed, and it is of interest to inquire how this came about.

Even before the World War Great Britain had ceased to be the leading industrial power; she had been driven from that position by the United States and Germany. After the war

*The author of this article is one of the editors of *Izvestia* and an outstanding Soviet publicist and authority on international affairs.

this process was greatly intensified. The industrialization of France and Italy went ahead. Japan became a relatively important industrial power; at any rate Osaka inflicted a decisive defeat on Manchester. The Soviet Union also became a great industrial power. Industry began to develop in all the colonial countries.

After the World War Great Britain ceased to be the leading money market of the world. Her foreign investments still exceed those of the United States, which, however, had surpassed Great Britain before the world economis crisis in the speed of accumulation of investments. The decline in the export of capital, its cessation and finally the freezing of large sums of capital abroad, made British money timid, indecisive and afraid of foreign commitments, especially in colonial countries, which now seemed pregnant with revolution. Thus, the mighty influence of invested capital, wielded by Great Britain, if it has not fallen altogether from her hands, has at least lost its former strength.

The British fleet even before the war was unable to maintain its position. Despite its great superiority over the German fleet, it could not decide during the war to "take the bull by the horns." The building of dreadnoughts, which before 1914 was to have been to the advantage of Great Britain, actually improved conditions for the naval development of other countries, since the old types of war vessels become worthless. During the war, moreover, the submarine very nearly brought Great Britain to her knees.

After the war Great Britain's naval position suffered considerably as a result of the construction of larger fleets not only by the United States and Japan but also by France and Italy. In recent years the new German fleet has also grown. In 1914 Great Britain refused to agree to a 16-10 naval ratio with Germany; at the Washington Naval Conference Great Britain was compelled to agree to parity with the American fleet. Now Japan also claims parity with the British fleet. Germany has achieved parity with the British home fleet. Recent months have shown the strength of the Italian Navy and the danger of an Italo-French deal, which would at once write a question mark over the British lines of communication with India.

More than that, before the war the British fleet used coal of which there is an abundance both at home and at the British coaling stations abroad. Now the fleet uses oil, but Great Britain imports 60 per cent of its oil from the United States. Iran and Iraq oil, which has come into the hands of Great Britain, is on alien soil, access to which through the Mediterranean Sea might be attacked. Oil supply alone might create great difficulties for the British Navy.

Post-war developments brought still another danger—the new rôle of aviation. Many British military authorities consider that in the system of British strategy the navy has dropped from first to second place.

Although Great Britain extended her colonial possessions during the World War, there is now for the first time in the British colonies a growing movement for independence. The economic development of India and Egypt has created in those countries a new proletariat whose historical mission it is to lead the peasantry, ruined by imperialism and feudalism, in a mutual struggle for liberation from native and foreign exploitation. It is amusing that a section of the British diehards should point to the Soviet Union as the source of the

danger threatening British rule in India, when actually it is to be found in the deep springs of the inevitable mass struggle against feudal oppression, which is supported by Great Britain, and against the inhuman exploitation carried on by native and foreign capital, which is defended by the British bureaucracy.

Simultaneously with this revolutionary ferment in the British colonies and with similar movements in the colonies of all the other world powers, Japan, Italy and Germany, "the belated imperialist powers," are looking forward to a struggle for a redivision of colonies. British imperialism will seek to direct this struggle against other countries, but the case of Italy has shown that success in this matter is not certain. Great Britain, with colonies all over the world, cannot avoid becoming a target for the expansionist powers. Hints such as those made by Sir Samuel Hoare in his speech to the League of Nations on Sept. 11, 1935, on the possibilities of an equitable redistribution of colonial raw materials are simply words without meaning.

A radical alteration has taken place in the position of Great Britain among the other imperialist powers. Never before in her history has she been faced with the danger of a coalition of so many strong powers nor threats at so many points throughout the world. Even if at the present moment it is thought that there is no likelihood of war between Great Britain and her most threatening economic competitor, the United States—this situation may change suddenly—it is clear that all the three expansionist powers (Japan, Germany, Italy) threaten British predominance.

Japan is at present primarily a threat to the Soviet Union and China, but British statesmen know that the Soviet littoral with its climate and China with its enormous population do not offer regions for mass colonization, as do Australia and the Dutch East Indies, and that the need for oil will push Japanese imperialism into the Dutch East Indies, that is, to the approaches to British India. British imperialism understands very well that Japan's victory on the Asiatic continent would not only force Great Britain out of her tremendous investments in China but would jeopardize the British Dominions and colonies.

Italian imperialism, which grew up with the support of British imperialism, has now suddenly found itself engaged in a severe struggle with the latter. It has begun the invasion of Ethiopia, but that is also a struggle for vantage points in the western part of the Mediterranean Sea and on the Red Sea. Italian imperialism has thus begun a struggle for the control of the essential British imperial lines of communication. In case of victory Italy would put Egypt in a vise, as well as holding out a threat to Palestine and the Haifa oil line.

Germany declares that she does not wish to be a rival of Great Britain and is striving only for "a free hand" in Eastern and Southeastern Europe. This attitude is a result of the British victory in the World War. Yet, if tomorrow Great Britain should be involved in a serious quarrel outside Europe, Germany might easily change that attitude. Officially Great Britain may go on pretending that she accepts the peaceful assurances of Nazi Germany, but she understands very well that to permit German hegemony in Europe would mean for her a mortal danger.

Thus it may be said that Great Britain is vulnerable simultaneously in the North Sea, in the Mediterranean and in the Pacific Ocean.

The victory of the revolution in Russia seemed to Great Britain to be a historic episode that it would be possible to liquidate quickly. The attempt to liquidate this "episode" cost Britain imperialism a billion in rubles. The Soviet Union has now become a great industrial country and has created an army no less good than the best technically, and exceeding any other army in the world in consciousness, will and morale. Capitalist Great Britain cannot but be hostile to the principle represented by the Soviet Union. Further, the Soviet Union is not only a European, but also an Asiatic power. It has freed the peoples of Czarist Russia, who at one time were the colonial herd of the Czar and the Russian bourgeoisie. Of course the British Government is well aware that the tales of certain British newspapers about Soviet intrigues against Great Britain in India are inventions and attempts to blame the Soviet Union for those processes which are ripening in the British colonies and in all Asia as a reaction of the masses of the people against imperialism. But apart from opposition to the Soviet Union as a Socialist power, certain British imperialists are distrustful of the Soviet Union because it does not desire any share in the slicing up of other countries or want to be a country that could by means of loans be tugged into the main stream of British policy.

Profound changes have also taken place in Great Britain's domestic situation. There the post-war crisis of capitalism, though not assuming such dramatic forms as in Germany and the United States, is being felt more severely than in any other country. This is shown by the fact that with an industrial proletariat of 10,000,000 there have never been in the post-war period less than 1,000,000 unemployed and that unemployment insurance has cost more than the whole sum of reparations paid by Germany. What the solution is Great Britain does not know. At the same time nearly 11,000,000 electors in the "peace plebiscite" unequivocally expressed themselves in favor of, first, a policy of peace and, second, the support by sanctions of the collective system of peace.

Great Britain, it should be remembered, won the World War at the head of a tremendous coalition, the basic forces of which at the end were herself, France and the United States. After the war the aims Great Britian decided to pursue were clear—not to allow complete French hegemony, and yet not to let go of France's hand. This was because of the sharp contradiction that had arisen behind the scenes between Great Britain and the United States, for the latter had created an enormous fleet. For this reason too Great Britain kept up her alliance with Japan.

The United States in the person of President Wilson set itself the task of creating the League of Nations as an organ that would guarantee peace and permit of peaceful methods of revising those sections of the Versailles treaty which might seem to be dangerous to peace or to threaten American interests. The strength that France wielded when the war ended compelled Great Britain to agree to giving her a very strong position in Europe, but Great Britain hoped that when the post-war crisis weakened France, she would be able to bargain for concessions to Germany and thus create a counter-balance to French hegemony. Great Britain accordingly accepted the Covenant of the League of Nations with its collective sanctions, and with the

United States agreed to guarantee French territory.

When, however, the United States refused to ratify the Treaty of Versailles and the French guarantee pact, Great Britain was left in the League without the counter-influence of the United States against French pretensions to hegemony in Europe. America's refusal to ratify the guarantee agreement impelled France to exert still greater pressure on Germany and to demand refinements in the Covenant as an instrument of French defense against Germany, who was bound to re-establish her military strength after she succeeded in temporarily defeating the forces of the working class.

The so-called Geneva Protocol, which made more precise the obligations in the case of aggression of every power that was a member of the League of Nations, was accepted with benedictions by the first British Labor government, but after that government fell was immediately rejected by the Conservative government. Great Britain, having just been forced by the United States to abandon her alliance with Japan and to acknowledge the parity of the American fleet, did not wish to make still more concessions to France and to guarantee French hegemony over Germany.

Only when France, after exhausting her economic strength in an attempt to seize the Ruhr, encountered a severe financial crisis, which compelled her to abandon her ideas of dismembering Germany, and when the United States in attempting to employ its huge reserves of capital decided to intervene in favor of a Franco-German deal on reparations, did Great Britain make a move signifying simultaneously the acceptance of local obligations and the refusal of general obligations arising from the Covenant and the system of collective security.

Under the Locarno treaty of 1925 Great Britain assumed the rôle of mediator between Germany and France and undertook to use her armed forces against the power that should break the peace on the Rhine. But at the same time she rejected similar obligations with regard to the German-Polish frontier, that is, she denied security to France's allies. At the root of this policy was the desire before everything else to keep Germany from the mouth of the Rhine and the coasts of Belgium and Holland, which in Germany's hands would directly threaten Great Britain. The Locarno treaty also gave Great Britain a lever against the possible revival of French ideas of seizing the left bank of the Rhine and against French imperialist schemes to separate Bavaria from Germany and unite it with Austria in a single Catholic State under French tutelage. Great Britain refused to interest herself in the fate of Eastern Europe and openly favored Germany's desire to take the Corridor from Poland.

Here was already evident a tendency to strengthen Germany not only against France, but also against the Soviet Union. British imperialism considered that Germany's Rapallo policy was dictated by a sense of isolation and a lack of perspective and that it was necessary to open for Germany avenues to the East. Germany, it was thought, would then refuse a rapprochement with the Soviet Union and begin to prepare herself to act as a British weapon against the Soviet Union. The Locarno policy thus aimed at escaping from League obligations, and not only in the sense that, in place of the general obligations under Article XVI of the Covenant, Great Brit-

ain undertook obligations concerned only with Western Europe, but also in the sense that by strengthening peace only in Western Europe she pointed to Eastern Europe as the goal of German expansion.

In regard to the Far East, Great Britain with gritted teeth accepted the Washington treaty which limited the expansion of Japanese naval armaments. This was the price paid for a rapprochement with the United States and for a softening of the accumulated contradictions between herself and that mighty power. Such basically was the foreign policy of Great Britain before the world economic crisis. In this period she had succeeded in alleviating the contradictions with the United States and had begun a rapprochement with Germany. There was no danger on the part of Japan (which had just gone through an earthquake). Italy had begun to develop its armed forces, but this could only please Great Britain, since it meant a counter-balance in relation to France. The Soviet Union was passing through the first period of the New Economic Policy, which had aroused in the British bourgeoisie the hope that capitalism would be re-established. The breach of Anglo-Soviet diplomatic relations was an attempt to see if it would not be possible to exert new pressure on the Soviet Union so as to speed up the return to capitalism.

This general world position of Great Britain changed swiftly as a result of the economic crisis and its political consequences.

Japan's seizure of Manchuria in 1931 meant the beginning of the destruction of the status quo in China and the impairment of the Washington treaty, which was one of the two pillars of post-war equilibrium. Great Britain's attempt at perpetual balancing between Japan and the United States to retain Japan as a possible ally against the United States became more difficult every day. America's actual interests in China are less important than Great Britain's, and it was sufficient for the United States to stand apart from Far Eastern questions for Great Britain to find herself face to face with Japan.

Because of the economic crisis Germany not only freed herself from reparations, but refused to pay her private debts, thus releasing considerable sums for armaments. The German bourgeoisie brought the Nazis to power, with their help destroyed the mass organizations of the working class, centralized power to an unheard-of extent and overcame for a time its internal obstacles and set out on a policy of military adventure that would give it a means of escaping from its internal contradictions. The growing plight of the working class, the peasantry and the petty bourgeoisie was taken advantage of to gather means for rearmament, which was carried out with amazing speed. Germany withdrew from the League of Nations and demanded recognition of her right to freedom of armament. She built an air fleet which at once altered her position in relation to Great Britain. Germany's land armaments were not so much feared by Great Britain, for they were primarily a threat to Continental powers. The German Navy had been destroyed, but there now appeared a German air fleet for which London was no further away than Paris, and Germany also began to build a new navy.

France was seized by deep anxiety. Both Germany's so-called policy of peace, that is, a temporary postponement of conflict with Poland, and her military threat to Czechoslovakia are

equally dangerous to France. The first threatens to break up the French system of alliances and the second to destroy an ally of France. The German threat to the Soviet Union may be pleasant to French haters of socialism, but far-sighted Frenchmen realize that a Germany that had dragged Poland into its sphere of influence, trampled upon Czechoslovakia and subjugated the Balkans, would even without a victory over the Soviet Union be a tremendous menace to France.

Great Britain knows that she will not be able to stand aside from a Franco-German conflict. A Germany that has conquered the line of the Rhine is a threat to Great Britain. But the division between the Rhine, the Vistula, the Berezina and the Danube becomes every day more artificial. Can France remain indifferent if Germany avenges herself upon Czechoslovakia? And if war breaks out between Germany and France because of eastern and southeastern questions in which Great Britain is apparently not interested, then peace on the Rhine would be at an end. To maintain the balance of power between France and Germany becomes increasingly difficult.

Finally, the advance of Italy has shown the unexpected danger threatening Great Britain from the third expansionist country.

Thus, just when the capitalist world has begun to move up from the lowest point of the economic crisis, just when it seems that the most difficult period has passed, Great Britain finds herself faced with the fact that her international position has become radically worse.

Among the underlying tendencies of British foreign policy, the first is to make a deal with a possible aggressor at the expense of other powers. This was particularly evident in the British attitude toward Japanese imperialism. British diplomacy, under the leadership of Sir John Simon from 1932 to 1934, was the chief accomplice of Japan's policy of conquest. Sir John Simon did his utmost to prevent serious opposition to Japanese aggression in China. He struggled against the demands of the small powers in the League of Nations for intervention in the Manchurian conflict and sabotaged every attempt made by Secretary of State Stimson to build up an anti-Japanese front. The British diehard policy of discouraging China in its attempts to resist conquest rested on the hope that, having consolidated itself in Manchuria, Japan would turn against the Soviet Union. A Japanese-Soviet war would serve to weaken both the Soviet Union and Japan.

In regard to Germany, British policy expressed itself by providing German armaments. Although British newspapers exposed what was going on, British firms openly supplied Germany with aviation motors and tank models, and British diplomacy prevented any decisive step by France against these armaments. The avowals by British semi-official newspapers and British diplomacy of disinterestedness in the east and southeast of Europe were obvious hints to Germany that, if she refrained from expansion in the west, she would not encounter British opposition on the other side of the continent.

Even when Italy began to prepare for the attack on Ethiopia, Great Britain wished to come to an agreement at the expense of that country to fulfill the old imperialist Italo-British treaties and to keep Italian expansion within limitations that would not threaten the British Empire. When this turned out to be impossible, Great Britain hurriedly concluded a

naval agreement with Germany in order, by the limitation of one of the expansionist powers then threatening her, to buy for herself the neutrality of another of them.

Such is the significance of the so-called British isolationist policy that is most clearly expressed by a group of Conservatives headed by Lord Beaverbrook, Lord Rothermere, Lord Lloyd, Mr. Amery and others. But it has its representatives in the Liberal camp, too. When Lord Lothian, for instance, defends concessions to Germany so as to leave Great Britain free to ward off the Japanese danger, this is not only in method the same policy as that of Lord Rothermere, who demands deals with Japan and Germany, but it has the same results since Great Britain can give Germany nothing but she can only allow her to take what she can. But, since the others will not allow her to take anything, Germany, to realize the concessions made by Great Britain, is bound to enter into an alliance with Japan that will strengthen the latter not only against the Soviet Union but also against Great Britain and the United States.

A section of the British die-hard opponents of the German expansion demands concessions to Italy so as to preserve her for the struggle with Hitler, but this apparently shrewd policy can bring Great Britain only tremendous defeats. Italy is striving for the creation of a Mediterranean empire. This is possible only at the expense of other powers that dominate the Mediterranean, and with the support of powers not interested in that region. A Mediterranean empire can be created by Italy only with the support of Germany at the expense of France and Great Britain. Colonial sops can only help Italy to consolidate her starting point in the ultimate struggle—the purpose for which she has joined the expansionist group.

The so-called isolationists in Great Britain try to convince public opinion that their policy is a policy of peace not only for that country, but for the whole world. It is not enough, they say, to forbid Germany, Japan and Italy to arm. These countries have a right to expansion, for which it is necessary to give them the opportunity, and then they will not fight. All this talk is pure bluff. The British isolationists wish to be kind at the expense of somebody else. The peoples against whom German, Japanese or Italian expansion is directed will offer it fierce resistance.

The whole world knows that whoever attempts to realize a policy of conquest at the expense of the Soviet Union will be involved in a war to the death. The resistance shown to the Italian aggressors by the Ethiopians shows what forces are ripe among masses of the people to resist the policies of imperialist countries. The impotence of China is a result of the fact that the Chinese counter-revolutionists are more afraid of their own people than of the Japanese imperialists, and allow themselves to be misled by the promises of help from the foreign imperialists. But this impotence is temporary and deceptive. The Chinese people have not yet said their last word.

Those who impel the aggressive powers to a policy of expansion are giving them freedom to prepare a new world war in which Great Britain will be involved. The policy of the isolationists is a policy not of peace but of war, and a war in which, if British policy continues to be guided by the isolationists, Great Britain will take part on the side of the most adventurous and most aggressive ele-

ments. When these elements meet resistance on the part of the peoples subjected to attack, they will try to make good at the expense of a deeply compromised Great Britain.

Just because the policy of the British isolationists is a blind policy despite its apparent realism, and despite the attempt to divert the danger from Great Britain, it has evoked the opposition of a section of the British bourgeoisie and even of the Conservatives and led to a strengthening of the second tendency, that toward the creation of a system of collective security. There are those in Great Britain who understand that the slogan of the indivisibility of peace was not conjured from Litvinov's sleeve, but corresponds to the actual state of affairs. If peace is broken at any point, then as a result of the interdependence of the interests of all the great powers, there arises the danger that the conflict will become a world war.

Great Britain needs peace because she is the most vulnerable of all the powers. Henry Rowan-Robinson, a British Army general, begins his book *Security* (London, 1935) with these words: "Peace is necessary to us for many reasons. One is that possessing great wealth, we have everything to lose and nothing to gain by war. The second is that we are exceedingly vulnerable to attack, both by air and sea. A third that, even if we do not happen to be one of the belligerents, we shall nevertheless suffer greatly from the loss of markets and the general economic and monetary chaos that follows war."

Faced with the danger of war in general, and with a danger directly pointing at her, Great Britain in the period before 1914 took the path of imperialist alliances. Today the British masses regard such alliances with the deepest distrust. They do not want war for the division of alien territory. Great Britain already has more than she can digest. The only question, therefore, can be of defending what Great Britain and the other capitalist powers already possess. It is very doubtful if the British masses want to fight for the maintenance of the dominion over India or Egypt; it is certain that they stand for the preservation of peace against the victory of imperialist-Fascist States.

The more farsighted British imperialists understand that in the struggle against war the British Government may base its policy on these sentiments of the masses. They see in the League of Nations an instrument for the preservation of peace, and they wish to strengthen it. But if war becomes inevitable owing to the imperialist policy of Japan, Germany and Italy, then the British masses, as was shown by the Trade Union Congress and the Labor party, will be all for the defensive measures adopted by the League. Particulary since the entry of the Soviet Union into the League, those masses see in the League a guarantee that defense against German, Italian and Japanese aggression will not degenerate into a policy of imperialist deals at the expense of other peoples.

Thus, since the end of 1934, those British Conservatives who see in the League and collective security a safeguard of the British Empire have been strengthened both by the changes in the international position that are unfavorable to Great Britain and that show the best defense against the dangers threatening the British Empire to be a stronger League and the creation of a front of peaceful powers against the expansionist powers, and by the mood of the masses which has

facilitated the carrying out of the defense of the empire as a defense of peace in general. Even hatred for the Soviet Union has not hindered those Conservatives from understanding that the attempt to turn the danger of war in the direction of the Soviet Union will end in a world war.

It is hard to say how many British politicians are capable of such a readjustment of ideas. Here we are not simply considering a tactical manoeuvre or an attempt to deceive the masses, but a policy corresponding to the conservative interests of the British Empire. Will such an understanding of imperial interests prevail in the ruling group of the British bourgeoisie? So far most of the representatives of the British Empire are undoubtedly isolationists or else belong to a transitional group that wishes simultaneously to use the League and to keep open a path for all kinds of manoeuvres with the expansionist powers. This transitional group has proved to be the stronger in the British Government. It brought about the crisis of Dec. 10-19, which, as *The New York Times* said, shook the world authority of Great Britain more than any other event in the last ten years.

Before that crisis Prime Minister Baldwin and his associates had spoken openly against the effectiveness of the League and the desirability for Great Britain of assuming serious international obligations to the east of the Rhine. After all, the entire foreign policy conducted by Sir John Simon was carried out in agreement with Germany. When Great Britain was compelled, in view of the growing danger of German aggression, to swing over to a policy of strengthening collective peace, then both in the Anglo-French protocol of Feb. 2 and in the decisions of the Stresa conference, the differentiation between obligations concerning the east and west remained. In the western air pact Great Britain took a decisive part. She only recommended the eastern regional pact, and then only because France had to strengthen peace in the east or lose her allies. Thus the latest period of British policy (especially in 1935) contained both old and new elements.

As soon as the danger of the Italian adventure became manifest, Great Britain attempted to make an agreement with Italy on the basis of the old imperialist treaties. Only when Mussolini demanded more than Great Britain could concede without sacrificing the interests of the empire did the British Government decide to fall back on the League. Even then it never gave up the hope that Mussolini, with his back to the wall, would agree to a deal, in which of course Ethiopia would have to be sacrificed.

Appealing to the League of Nations and calling for sacrifices in the name of the reinforcement of peace, Mr. Baldwin put himself the question, What will happen if League pressure does not produce results because France takes pity on Italy? He replied by saying that it would then be necessary to give up Article XVI of the Covenant, make the League an organ of agreement among the great powers and bring back the powers that had left the League. This meant that Great Britain was to follow the path proposed by Mussolini when he put forward the idea of the four-power pact. The League of Nations, from being an organ capable of taming the aggressor by means of sanctions, would have become a screen for agreements among the four great Western European powers.

The British masses, to whom the

government had appealed for support and who believed that the government really had made the League the basis of its policy, would not agree to this game, and when the Laval-Hoare proposals of Dec. 8 laid it bare, their anger was so great that the Conservatives who advocated the strengthening of the League and collective security became an important political factor.

Nevertheless, the fall of Sir Samuel Hoare does not mean the victory in Great Britain for the policy of collective security. Such a policy would demand readiness, not only to oppose Italian aggression, but also to take up a strong position against German and Japanese imperialism and to assume definite obligations to help other powers that were attacked. The British Government has not decided on such a policy. It still thinks that the Ethiopian affair will end in a deal when Italy becomes more amenable under the influence of severe military lessons.

The British Government is now negotiating with the German Nazis and, without Germany's abandoning her expansionist aims in the East, is probably ready to sign the western air pact. The struggle for collective security in Great Britain will, however, grow as the war danger becomes greater. Those augurs behind the scenes who think that Sir Samuel Hoare's mistake consisted only in straightforwardness and in changing horses too quickly may find that they are mistaken.

Public opinion in the Soviet Union does not suffer from any kind of Anglophobia. It has openly condemned British intervention and will continue to expose interventionist tendencies even when they are hidden under isolationist blathering. But it has welcomed every move by Great Britain to strengthen collective security. The Soviet Union considers its duty to be the preservation of general peace, and every time that Great Britain has taken steps in that direction she has been able to reckon upon the serious cooperation of the Soviet Government. The strengthening of pease by means of collective security and the cooperation of Great Britain, France, the Soviet Union and the United States would increase the safety of the British Empire.

Soviet public opinion attaches great importance to British foreign policy because upon the victory of one or other of its tendencies depends the question whether the world in the next few years will become the arena of a new destructive war or whether time will be gained for the organization of collective peace.

Moscow, February, 1936.

To Keep America Out of War

By HAROLD B. HINTON*

THE rise and fall of sentiment for neutrality, or what might be more properly described as machinery to keep America out of war, has been so far the chief feature of this session of Congress. The stress and strain of many philosophies, both political and economic, pulling at the central idea of this apparently simple aspiration could have resulted, as we see it now, only in the adoption by Congress of the compromise program which will remain law until May 1, 1937.

Believers in neutrality, in Congress and outside, found, when they came to view their vague goal closely, that their only common ground was the desire to keep the United States from becoming involved in a foreign war. That, after all, has been the single thread that has run through American foreign policy since the days of George Washington. Failure to achieve this goal has proved that wishing is not enough.

International lawyers and a few technicians had pondered over neutrality and its attendant problems ever since the World War. That conflict illustrated how little consideration can be given to the rights of neutrals when nearly all the great countries of the world are at war.

A committee was formed in the State Department about two years ago to consider the drafting of a legislative policy that might at least minimize the provocative incidents that so often lead nations into armed conflict. William Phillips, Under-Secretary of State; R. Walton Moore, Assistant Secretary of State, and Green H. Hackworth, State Department legal adviser, served on this committee and drew largely on the knowledge of Charles Warren. Mr. Warren, an international lawyer, served as Assistant Attorney General in charge of neutrality in the troubled days preceding American entry into the World War.

As far as can be learned, there was no particular reason why this interest should have stirred two years ago. Apparently the question was only one of the unsolved technical problems that always attract experts, and the Roosevelt administration decided to look into it. Those were the days of planning for the future in every concern of our national life.

The State Department's studies were conducted very quietly, but public attention was attracted to the problem by the activities of the special Senate munitions committee, of which Senator Nye was chairman. This committee sought originally to reveal the intricacies of the arms traffic and probably to recommend government ownership of the munitions industry. About a year ago, however, its interest swung sharply toward keeping out of war. It may fairly be said that public concern with the question dates from that point. Lecturers debated the subject throughout the country; peace societies and other organizations began to draw up programs.

In Congress itself, however, Premier Mussolini's threatening gestures

*Mr. Hinton is on the Washington staff of *The New York Times*.

of last Spring and Summer were needed to bring the issue into sharp relief. Even then Congress would have gone home without taking any action had not a handful of Senators, including Nye, Clark and Bone, threatened to filibuster against the adjournment that was so fervently desired. Accordingly a skeleton measure, intended primarily to guide the Executive if war should break out between Italy and Ethiopia while Congress was in recess, was hastily passed and signed by the President. Every one expected to consider a more definitive plan at the session that opened on Jan. 3.

For this reason expiration of the main clause of the resolution—that providing for an arms embargo against all belligerents—was fixed for Feb. 29. As it turned out, this limitation contained the seed of the defeatist movement that led to the compromise. It gave opponents of neutrality legislation an opening, since its proponents were willing to make almost any sacrifice to prevent the law from expiring with nothing enacted to take its place.

By the time Congress had reassembled a factor came into play that had been absent during the hysterical debate in the dog days of last August. Many members, having had time to think it over and to consult their constituents, had reached the conclusion that a policy of neutrality, strictly and legally outlined, would by no means form an effective barrier against war. Secretary of State Hull has always been of this mind and there is evidence that President Roosevelt leans to this school of thought. Men of their view feel that neutrality, by its very definition, presupposes that a major war is in progress. Why should this country confine its activities to a declaration of what it would do after a war is started? Could it not be more certain of keeping out of war if it helped to prevent war?

From that viewpoint, they had grave doubts as to the advisability of fettering the hands of the administration in advance, so that it could take no effective part in efforts to preserve peace and prevent aggression. Neutrality champions, however, contended that such efforts would force the United States to take sides in quarrels not of our concern and would inevitably drag us into war.

If the United States is to exercise even what Mr. Hull calls "moral force" to preserve the peace of the world, its officials must be free to negotiate; they must have some in-

ducement to offer or some threat to brandish. To hamper them with a definitely stated policy would be to put them in the position of a poker player who announces to the rest of the table exactly what he will do if he is caught with a pair of aces between three jacks and a small straight.

Skeptics of this calibre found unexpected allies in the extreme isolationists, represented by Senator Johnson. He and his suspicious followers feared that any positive declaration of policy would, whether we liked it or not, be twisted into some semblance of cooperation in economic or military sanctions which the League of Nations might impose on an aggressor. "Don't tell them, let them guess," sums up this attitude.

Probably the most imposing effort of outside experts to be helpful was the drafting of a proposed neutrality bill by the National Peace Conference, which comprises some thirty peace organizations. A drafting committee, headed by Professor James T. Shotwell of Columbia University, published a project just before Congress convened. In many particulars this plan went far beyond anything that had any chance of passage. It would have left large discretionary power in the hands of the President and would have empowered him to lift embargoes on arms and commodities in favor of a State defending itself from aggression, provided a majority of the non-belligerent signatories of the Pact of Paris concurred in the definition of the aggressor. But this proposal aroused little or no enthusiasm in Congress.

Neutrality was caught in the flood tide of discouragement caused by the unhappy Hoare-Laval plan for partitioning Ethiopia as a solution of the present war. The repercussions of this incomprehensible scheme did more than anything else in Congress to dim the hopes of cooperationists and to strengthen the hands of isolationists. Even Mr. Hull, convinced as he was that this country should bear what he considered its honorable part of the burden of composing the dispute, had to retreat into non-committal silence. In the early days of the war the administration had moved quickly and decisively to show that it considered Italy's action an unwarranted aggression and to intimate to the League of Nations or any other European coalition that it would not stand in the way of a collective effort to stop the war.

President Roosevelt had promptly clapped on an embargo covering arms, ammunition and implements of war, as he was directed to do in the temporary neutrality resolution then in effect, and had advised American citizens that they could do business with the belligerents or travel on belligerent (which meant Italian) vessels only at their own risk. Mr. Hull had been directly responsible for the renunciation by the Standard Vacuum Oil Company of a superficially imposing oil concession granted by Emperor Haile Selassie to one of its agents. Both the President and Mr. Hull issued statements, at intervals, trying to dissuade Americans by force of rhetoric from selling scrap iron, oil and similar necessities to Italy. They admitted that they had no legal right to forbid such traffic, but it was clear they expected the incoming Congress to give them some such authority.

As members of Congress returned to Washington they were confronted by another force which was added to the growing tide of newspaper denunciation of a strictly defined neu-

trality policy. The Italian-Americans had organized, alarmed at the implied threats of cooperation in economic sanctions, particularly on oil, which Mr. Hull's early performances had promised. One organization, probably the most important, was the Friends of Italy in America. There was also the League for American Neutrality, which apparently came into existence for the sole purpose of influencing Congress against any comprehensive extension of the temporary neutrality measure. Its general committee consisted of more than 100 persons, nearly all of them bearing names of Italian origin.

Judge Frank Leverone of Boston, appearing on behalf of the League for American Neutrality before the House Foreign Affairs Committee, gave the following definition of neutrality: "In times of peace it is easy to accord preference and to remain on friendly terms with less favored nations, but during war privileges tending to strengthen the hand of one of the two belligerents help him toward the destruction of his enemy. To grant these is not merely to show less friendship to one than to the other. It is to embarrass one, but reserving for the other the field of action in which his enemy cannot attack him. It is to assume a passive hostility."

The Italian-Americans who bombarded Congress with protests were apparently agreed that any further advance in the field of so-called neutrality legislation would, in reality, hamper Italy and, accordingly, must be considered unfriendly to Italy. The Friends of Italy borrowed the old technique of the prohibition associations and deluged Congress and the administration with letters. There were two general types of letters which this organization got its friends to sign and mail, and over 10,000 of them reached the State Department in January. Many of the letters were printed, like checks, in sheets of five, to be signed by the same person. A copy would be addressed to the President, the Secretary of State, two Senators and one Representative, respectively.

Two typical letters are quoted, the first one having been sent out during the period when cooperation on sanctions was feared, the second later when the intent was only to discourage Congress from passing neutrality legislation of greater scope:

"I protest against American association with the League of Nations sanctionist activities. I protest against statements of the present administration in Washington showing cooperation with the schemes of the British Government as regards sanctions and embargoes. I protest against our government meddling with European sanctions and embargo policies."

"I hereby respectfully request you to oppose any law which may have for its purpose extension of the provisions of the present Neutrality Law or which may in any way aid or encourage the so-called League of Nations in extending its present sanctions against Italy to include oil and other merchandise which is essential to the preservation of life and the normal conduct of business."

Generoso Pope, proprietor and editor of *Il Progresso Italiano Americano* of New York, reputed to be one of the wealthiest and most influential Italian-Americans in the country, is the active spirit in the Friends of Italy. Its president, Peter L. Sabbatino of 70 Pine Street, New York City, appeared before the House Foreign Affairs Committee. "Frankly," he said, "as I read Joint Resolution No. 422, which is now before your committee, I ask myself if the British Prime Minister were before you today just

what would he suggest to have our country do that is not contained in this resolution."

Some members of the committee thought of several things the British Prime Minister might want added to the bill, but Mr. Sabbatino was not to be discouraged.

"There was no agitation about any embargo on oil two or three years ago," he insisted. "This question came up principally when the British Empire sought to crush another nation and I, for one, as an American, do not believe the United States Government should write an insurance policy for the British Empire, and that is what this resolution amounts to. You may call it a neutrality resolution, but it is an insurance policy for the British Empire."

Judge Eugene V. Alessandroni of the Court of Common Pleas of Philadelphia testified before the committee, largely to the same effect, on behalf of the Sons of Italy in America. Andrew A. Cassassa, former Mayor of Revere, Mass.; Francis Pallotti of Hartford, former Secretary of State of Connecticut, and Dr. John F. Rossi of Utica were other witnesses heard by the committee in opposition to the administration neutrality bill.

What effect this sort of pressure had on the ultimate failure of the legislative effort at this session of Congress must remain, of course, a matter of speculation. But its early and concentrated manifestation illustrates another of the obstacles to a legislative policy on neutrality, laid down in advance. Whenever one of the large European countries which has sent numbers of emigrants here is likely to be affected by such legislation, it is safe to assume that these tactics will be employed.

The House Committee and the Senate Foreign Relations Committee took under consideration the administration bill. Mr. Hull and his advisers, in drafting the proposal, had endeavored to steer a middle course between the strict constructionists and those favoring liberal discretionary powers for the Executive. Their plan would have added to the mandatory arms embargo, carried over from the temporary law, a direction to the President to embargo to all belligerents "certain articles or materials used in the manufacture of arms, ammunition or implements of war, or in the conduct of war" whenever he should find that such a course would "serve to promote the security and preserve the neutrality of the United States, or to protect the lives and commerce of nationals of the United States, or that to refrain from placing such restrictions would contribute to the prolongation or expansion of the war."

This portion of the bill drew fire from all sides. Isolationists like Senator Johnson and Representative Tinkham of Massachusetts insisted that its provisions would enable the President to cooperate with the League of Nations and thus to take sides in a dispute, tending to draw this country into a war. Cooperationists objected that a measure so plainly intended to help prevent wars should be made applicable only to the aggressor.

Others who liked to be less outspoken about their attitude on such a large question of foreign policy saw in it the danger of a serious dislocation of American economic life. They argued that countries afraid of not being able, in time of war, to draw on America for the raw materials they would need to defend themselves would either take steps to produce those commodities them-

selves or would form trade alliances with nations willing to supply them if the need arose.

Congress had before it three propositions when it began the consideration of the neutrality problem. The administration bill was sponsored in the Senate by Chairman Pittman of the Foreign Relations Committee and in the House by Chairman McReynolds of the Foreign Affairs Committee. Senator Nye, Senator Clark and Representative Maverick of Texas had collaborated on a bill intended to outline our course of conduct more rigidly than did the administration measure. Senator Thomas of Utah had introduced a resolution simply extending the existing law for another year.

These measures, as well as private proposals, were considered at length by various organizations throughout the country. The Women's Great Peace Society, the Women's Patriotic Conference on National Defense, the National Committee on the Cause and Cure of War debated the issue. The Women's International League for Peace and Freedom endorsed the Nye-Clark-Maverick bill. The League of Women Voters favored the administration bill. The Foreign Policy Association sponsored objective discussions of the problem at meetings in different cities.

The disparity of views expressed in these quarters, the pressure of the Italian-American group, the newspaper opposition that developed in organs of opposing opinions, and the public reaction against the Hoare-Laval peace plan reflected themselves in a hopeless division in Congress. After six weeks of consideration by the Foreign Affairs Committee, it became apparent to Senator Pittman that, if he forced the administration bill to the floor, the measure faced the probability of an organized filibuster which would permit the existing law to expire on Feb. 29. On the other hand, there was little sentiment in favor of the mere extension favored by Mr. Thomas, except on the part of the isolationists, and the Nye-Clark-Maverick bill was too similar to the administration proposal, in its salient points, to warrant any hope that it would have a better chance of passage.

Thus the eventual compromise was forced. It was decided to extend the existing law until May 1, 1937, with the addition of a prohibition on loans and credits to belligerent governments and an exemption in favor of American republics at war with non-American powers. This plan easily passed both houses and became law.

The value of the step, either as a solution for domestic demands for machinery to keep us out of war, or as a definite statement of policy to foreign governments to help them guide their actions toward collective security, is small. The final enactment, however, does represent a certain evolution in our legislative thought. Whether or not this effort represents the high point of the so-called neutrality movement cannot be judged as yet, although some observers believe this ends the matter and that the law will not be renewed when it expires next year.

Under pressure of circumstances, leaders had to drop from the proposed bill the two sections that were the heart of it. One was the grant to the President of the power to limit commerce with belligerents to normal quantities of practically all commodities, and the other was authorization to the President to proclaim that even such "normal commerce" could be carried on only at the risk of the exporter. In other words, the League of Nations or any other collective organization trying to restrain an

aggressor through economic sanctions would have to guess what supplies this country would continue to furnish the offending country.

Legally speaking, the Executive probably has no power now to restrict commerce with a belligerent in any shape or manner. But by proclamation and persuasion a President could influence considerably the volume of trade carried on by large concerns which would, after all, be the ones to sell war supplies to a belligerent. The law, as passed, furnished no guidepost to the path this country might pursue, and to that extent is probably a deterring factor in the preservation of peace by collective effort.

On the other hand, the act is a declaration that the United States will not supply an aggressor with either lethal weapons or the money to purchase them elsewhere. Nor will it perform those services in behalf of the nation defending itself against aggression. The act directs the President to take other steps, of less importance, tending to prevent regrettable incidents that might inflame public opinion in time of war. These include power to warn American citizens against travel on ships flying belligerent flags and to restrict the use of our ports as bases of supply for belligerent war vessels.

The credit prohibition is of more importance, perhaps, than would appear at first glance. All the principal powers of the world, with the exception of Japan, are now banned from selling their securities or obligations in the United States under the Johnson Act passed two years ago. The ban is based on their being defaulters on the war debts owed to the Treasury of the United States. This is an obstacle that could be overcome by paying these debts, although the prospect of such an event is slight. Under the new law notice is served on them that, even if they should pay the money they borrowed here in the last war, they cannot borrow any more if they go to war again. If this provision is enforced it might be an important factor in shortening the progress of any future major war, for it is hard to see how a widespread conflict could long continue without one or both sides seeking financial aid in the United States.

The danger in the whole procedure, of course, lies in the great probability that the same Congress that enacted this policy would repeal it if its operation threatened the military subjugation of the belligerent that held American sympathy. Once war broke out, any relaxation of the law would quite properly be interpreted as an unfriendly act by the belligerent thus placed at a disadvantage. In this fashion the United States might be dragged into the war by the very apparatus set up to keep itself clear.

To this extent, at least, Mr. Hull is justified in his dislike of any legislative declaration of policy. Perhaps the public would be better served in its undoubted desire to keep out of war by permitting the traditional freedom of Executive conduct of foreign policy and by relying on the usages of international law to furnish a peaceable means of settling any disputes that might break out between us and belligerents. The answer of his opponents is that such a course failed in the World War.

Fritz Mandl's Grip on Austria

By G. E. R. GEDYE*

TRAVELERS from Vienna southward pass through the station of Leobersdorf about three-quarters of an hour after leaving the Austrian capital, and just before reaching Wiener Neustadt. Loebersdorf is the junction for the Triesting Valley Line. The Triesting, a pleasant "subalpine" river rising in the mountains near St. Poelten, is known for the industrial undertakings on its lower reaches and for its good stock of mountain trout; the fishing is mostly in the private hands of the owners of the big industrial concerns.

Most of these concerns, such as the Arthur Krupp steel plant at Berndorf (which is not connected with Krupps of Essen), have gone through hard times since the dissolution of the Austro-Hungarian monarchy and the establishment of independent industries in the lands formerly subject to the Habsburgs. But among them there is one concern that flourishes, for it deals in the best-selling line of goods in modern Europe—arms and ammunition. Its owner is one of the keen fishermen of the Triesting Valley and, of course, of far better waters than the little Triesting. In so far as his name is known to the world at large, however, it is as that of a fisher in less clear and peaceful waters than those of the trout rivers. His name is Fritz Mandl, chairman of the Hirtenberg Pulver Fabrik. Much to his annoyance, for he is no publicity seeker, he is sometimes spoken of as "Austria's Pocket Zaharoff."

From the branches of this pleasant trout stream tentacles reach out to many countries, to other factories where, as at Hirtenberg, chemists pore, inventors devise, workmen mold, cast and forge instruments that shall finally rend and tear human bodies in battle. Three years ago the name of Hirtenberg meant something, even in far-away America. It meant intrigue, defiance of treaties, smuggling, sensational revelations, open scandal. It sent Dr. Benes in indignation to Geneva. It caught Dr. Dollfuss very badly and involved him in stammering explanations and nearly in collapse. It embarrassed Prince Starhemberg. It angered Mussolini. It became synonymous for awkward revelations of the schemes of Hungary and embarrassed the British Foreign Office. It caused debates in Geneva, the washing of a little dirty linen and a hasty general European effort to thrust much more out of sight into murky cupboards.

It might have meant much more, but at this juncture Adolf Hitler, despairing of persuading sober Germany to entrust its future to his unskilled hands at the pending elections, was naturally astonished to learn the joyful news that his supreme enemies, the Communists, had flung themselves heart and soul into his cause by choosing the very moment when such a thing could best aid him to set the Reichstag ablaze. This enabled him to

*The writer of this article is the correspondent of *The New York Times* for Central and Southeastern Europe, with headquarters in Vienna.

suppress by force all his opponents on charges that if they had not set fire to the Reichstag, they might have. A stupefied world slowly realized that nothing, not even the resurrection of the Middle Ages, was impossible to the literally unscrupulous, and so quickly forgot the Hirtenberg scandal.

But while that name was being forgotten, from that prim, provincial township by the smiling Austrian trout stream sensitive tentacles that had shrinkingly withdrawn from publicity again reached out. Within a year these tentacles had strangled Vienna's successful municipal welfare system, helped to produce two civil wars, a little forest of tombstones and rows of gun-shattered houses.

Who is this Fritz Mandl of Hirtenberg? Forty years of age, of average height, stocky, a typical Central European, he professes the Protestant faith, and is the financial and political backer of the aristocratic Prince Starhemberg. Immensely wealthy, not only by modest Austrian but by wider standards, Mandl has one great passion—the game of chance. When no better game offers he gambles at the near-by Casino in Baden (and even when he loses he gains, for he has an interest in the gambling concessions). But this is a pastime. For an occupation he gambles for higher stakes, which are concerned with human lives, international politics and perhaps a counter-revolution or two.

He is no ascetic, this "Austrian Zaharoff." Unadvertised by flattering notices in the sycophantic society columns of the "coordinated" Vienna press, he is nevertheless often to be seen where champagne is served at the proper temperature, where the caviar is fresh and the cocktails are shaken by a skillful hand. High up above the lights of the city, on the open-air Cobenzl bar-terrace, whose ceiling is a purple black vault, star-spangled and moon-gashed, on some soft Summer night which even saints can only flee or succumb to, a particularly exuberant party of young aristocrats rejoicing in re-emergence from the eclipse of the Austrian Republic, which a few years ago seemed permanent, will probably include one little agile figure—Fritz Mandl. If so, the odds are that the party includes also a Prince Starhemberg, brother of the Vice Chancellor, Mandl's boon companion, and several slender, perfectly turned out young Italians.

They can surely have no other thought in their heads than of the wine of Grinzing, the women of Vienna and the song of the jazz singer on Cobenzl (unless it is the wine of Italy, its songs and its women).

Who would guess that ere the sun reaches its zenith these slick young men will be fighting their host in a Hirtenberg board room over the decimal points in the price of a new arms contract?

When Winter grips Vienna, in the new shaded bar of historic Sacher's, in the momentarily popular flicker of the Kerzen Stuberl, in the (harshly Austrian) sham exoticism of an outlying night bar, or in the more formal frivolity of the dance bar in the big hotel near Schoenbrunn Palace—in such resorts you will often find Fritz Mandl, seemingly carefree, till the small hours. But somewhat later you will find a different Mandl, in a very different temper, in chancelleries, ministries and diplomatic headquarters. Sleep is not one of his extravagances.

The concern that Fritz Mandl administers was founded in 1881 by his grandfather, Zsiga Mandl, who built it up on the basis of a small powder

factory which he acquired from Keller & Co., who started business in 1861. Fritz's father, Dr. Alexander Mandl, who with the assistance of the Credit-Anstalt and the Anglo-Austrian Bank, formed the Hirtenberg Pulver Fabrik into a limited company in 1897, was a man of many resources. The Inter-Allied Disarmament Commission could tell a tale. A few years ago I heard many hard words from its British Colonel about the sleight-of-hand methods of Alexander Mandl.

Under the terms of the Treaty of St. Germain, large numbers of his machines had to be destroyed. Again and again the British and French officers arrived at Hirtenberg on what were supposed to be surprise visits. The machines were never to be found, although forty-eight hours before agents of the Communists had reported that they were working at high pressure, turning out forbidden munitions.

It was perhaps nothing more than a coincidence that the head of the Inter-Allied Commission was an Italian, General Segré, who was much later proved before a military court in Florence to have had a conception of military incorruptibility somewhat different from that entertained by army officers the world over. Coincidence or not, the Inter-Allied Control Commission wasted so much time at Hirtenberg that they finally gave it up as a bad job.

On the retirement in 1929 of Alexander Mandl with a fortune estimated at 2,000,000 schillings (nearly $500,000 at par) his son succeeded to his father's post, though he was not formally made general director until 1933. Since the age of 20 Fritz Mandl had been closely associated with Hirtenberg, except for periods of residence abroad. Already a close associate of Prince Starhemberg, Fritz Mandl from this time onward became the moving spirit behind the Heimwehr-Fascists, supporting them by cash contributions as well as by credits for the arms with which they were illegally supplied, and which they illegally stored up for the great day of reckoning with the Social Democrats.

The total quantity of arms illegally furnished to the Heimwehr before, and legally after, their successful counter-revolution of February, 1934, has yet to be revealed. Military experts will doubtless laugh when I express the opinion that it would have sufficed to arm 500,000 men with howitzers, field guns, machine guns and rifles as well as the necessary ammunition. Yet I do not speak without my book. And the man who made this super-armament possible was Fritz Mandl. The first (abortive) Heimwehr putsch of 1931 furnished some slight clues to their super-armament. For instance, in the district of Hartberg, which had only 150 Heimwehr men, 240 rifles, 5 machine guns and a large store of bombs were disclosed and seized. But another 300 rifles and 5 machine guns are known to have escaped seizure.

Two Frenchmen, M. Bonaygue and M. Reber, in their book, *Vienne, Porte de la Guerre,* are interesting in this connection: "Where did they [the arms] come from? They were imported from Italy. At the frontier railway men had frequently exposed truckloads of arms sent surreptitiously from Italy to Austria. Even in 1926 truckloads of hundreds of rifles and machine guns delivered as 'agricultural implements' were seized in Carinthia. All evidence available showed that they came from the arsenal of Verona in Italy. As the treaties forbade Austria to manufacture certain arms, Mandl had them made in

Switzerland. He associated himself with Rhein-Metall and the arms factory of Soleure in manufacturing an extra light machine gun firing 600 rounds a minute. As long as the Nazis and the Heimwehr were united there was close cooperation between the German and Austrian armament firms. M. Mandl and his associates fraudulently exported arms to Italy for reexport to Austria and Hungary. Along the shores of Lake Constance and the frontiers of the Austrian province of Vorarlberg this contraband trade was active, and it was only in the Summer of 1934, when the Austrian Nazis became the sole beneficiaries, that the Swiss and Austrian Governments showed concern. * * * The Heimwehr became a party. Mandl, the armament-maker, recruited for them Baron Manndorf, M. Otto X., a member of the unemployed, and the Archduke Anton von Habsburg."

Of Mandl's international connections the same authors write: "The Austrian munitions factories, those of Hirtenberg and Steyr, the German Rhein-Metall of Duesseldorf and the arms factory of Soleure, have created a common holding company in the Steyr-Solothurn of Zurich, which forms a junction of the different groups. After the breach between the Heimwehr and the Nazis Mandl had to resign and Berlin put in a new chief. But despite this, Mandl retains considerable financial interests in Solothurn and Soleure, which manufacture arms for the Third Reich."

What are these international connections of "Austria's Pocket Zaharoff"? They are not easy to disentangle. Here are some of his established interests: He is director of the Dutch munition concern Patronen-Hugholdjes en Metallwarenfabrik at Dordrecht and vice president of the Gruessbacher Steenkohlenbergwerke A. G. Through the Hirtenberg concern he has or has had interests in the munition works Patronenfabrik A. G., Lichtenwoerth, the Jugapatronen und Metallwarenfabrik A. G., Magyar-Ovar in Hungary (interests reputed now to have been dropped), Waffenfabrik Solothurn A. G. (Switzerland), Patronen, &c., formerly Seller & Belloc Fabrik A. G., Schoenbeck (through this concern there seems to be a connection with the Bofors Gun Works in Sweden). Through the Gruenbacher works there is a link with Alexander Schoeller A. G.

The interplay of munitions business and politics is here enormously complicated. There are involved shareholding companies, faked quarrels and reconciliations and sales of interests and acquisitions of interests that were never what they seemed. But in all this welter of international concerns, where Mandl cooperates with, or parts from, Nazi arms factories, it is clear that he has really staked heavily on three chances—Mussolini, Starhemberg and the Heimwehr. To say that with them he stands or falls would be to insult Mandl's mental agility. But so long as they stand, he certainly does not fall.

Although Mandl was always the principal Austrian industrialist patron of the Heimwehr, whom he secretly supplied with arms and money again and again, only once, as has been indicated, did Hirtenberg unwillingly come into the international limelight. Koloman Wallisch, a Social Democrat (his enemies said Communist), and Mayor of Bruck-an-der-Mur, the man who forced the unwilling Austrian Government to suppress the Heimwehr putsch of 1931, was instrumental in revealing on Jan. 5, 1933, that forty truckloads of arms had, in defiance of Article 134 of the Treaty of St. Ger-

main, been brought from Italy to Hirtenberg. (At the counter-revolution of February, 1934, the Dollfuss government put a price of 5,000 schillings on the head of Mayor Wallisch, caught him as with a handful of followers he was making his way through the snowclad Alps to the frontier, and hanged him with great speed and little ceremony.) The truckloads contained between 40,000 and 50,000 rifles and 200 machine guns, consigned by Giuseppe Cortese, Commandant of Verona Arsenal, to Mandl's of Hirtenberg, although the peace treaties forbade Austria to import arms. The contents were falsely declared as "scrap metal." There is some reason to believe that the official Social Democratic leaders, anxious always for peace, were willing to hush up the affair in exchange for modifications of the anti-democratic policy of the government, but that the aggressive Wallisch forced publication.

These arms were only a small part of Mussolini's contribution to the fascisation of Central Europe at the time when he was publicly declaring that "fascism was not an article of export"—Fascist rifles and machine guns, however, were. Fifteen thousand of the rifles and a part of the machine guns went to arm the Austrian Heimwehr for the forthcoming putsch against the republic. The remainder were destined for Hungary. Hungarian officers, it has been established, visited Hirtenberg, inspected the arms, and arranged for them to be taken over. Most of them were old Austrian arms captured in Italy during the war and sent to the factory at Hirtenberg to be cleaned, and where necessary furnished with new bolts.

The original arrangement is believed to have been agreed to when Prince Starhemberg met General Goemboes, the Hungarian Minister of War, at Varpalota, near Budapest, in the Autumn of 1930 in the presence of General von Seeckt, commander of the German Reichswehr. The contract was signed in 1931. The deal is alleged to have been discussed also between Dollfuss and Goemboes in Budapest and between Goemboes and Mussolini in Rome. Hungary's share of the contraband (for such it was) should have cost her, if she paid, $1,000,000—at a time when she was urging inability to meet her foreign liabilities. In the Spring of 1932 Starhemberg, Mandl and Goemboes (now Premier) revised the contract, and in October, 1932, Starhemberg and Mandl revisited Budapest to arrange the final details.

The Austrian Government found itself in a painful situation. France and Great Britain tried to hush up the scandal, but the Little Entente was insistent, and Dr. Benes declared that the League must deal with the matter. This Italy could not face, and she quickly fell in with British and French efforts to deal with the scandal quietly through departmental channels. Great Britain in particular was anxious to spare Hungary, whom she was strongly backing at the moment. The Austrian Government declared that the trucks had held "goods in transit" and that "it was impossible to ascertain what they contained."

France, with the support of Great Britain, finally presented in February a note to the Austrian Government demanding the return of the illegally imported arms to Italy. The government gave in guarded form the required assurance, but on Feb. 24 Herr Koenig, head of the Austrian Railwaymen's Trade Union, revealed that he had been offered an enormous bribe by Dr. Seefellner, manager of the Austrian State Railways, to divert to Hungary such of the arms as were being nominally redispatched to Italy, and

to send empty packing-cases toward the Italian frontier.

Under the pressure of public opinion, aroused by this new scandal, the general manager had to be dismissed. The position of Dollfuss was severely shaken and for a time it seemed that his government must fall. But as Austria's former Vice Chancellor, Franz Winkler, writes, "Dollfuss stayed—and so, consequently, did most of the rifles." Some of the arms on the way back to Italy got as far as Innsbruck where the Heimwehr "secured a useful proportion by breaking open the trucks." Whether as much as a single case actually containing arms was ever sent back to Italy has never been established. The daring Railway Trades Union leader's name was put on the Heimwehr "hanging list," and he escaped joining Wallisch and others on the gallows in February, 1934, only by a timely flight into Czechoslovakia.

At the time when these incidents occurred, the Heimwehr and the Nazi movement knew no hostility to one another; both were absolutely illegal under Austrian and international law, but both were encouraged by the government (the Reich's German "Putsch Expert" and Nazi Major Waldemar Pabst was the first military organizer of the Heimwehr and planned their second putsch, which failed to materialize). Both the Heimwehr and the Nazis were actuated only by the common aim of destroying the Austrian Republic. The quarrel over the division of the spoils came later.

There is a legend that Mussolini did not take it in good part that his favors to Hirtenberg should have been shared quite so impartially by the Heimwehr and the Nazis. Fritz Mandl married a couple of years ago the lovely Viennese actress, Heddy Kiesler, who had shortly before starred in the film, *Ecstasy*, in one scene of which she appears in the nude. Fritz Mandl, in accordance with his known dislike of publicity, and at the cost of large sums of money, secured the suppression of this film in most countries of the world. The prominent exception was Italy where for a few lira any one could see the lovely Frau Mandl in her famous rôle. The explanation (it is said) is to be sought in the Nazi putsch of July 25, 1934, when, after the murder of Dollfuss, a small band of the Austrian Legion invaded Austria from Bavaria and were disarmed and captured. Italian agents informed Mussolini that these enemies of his Austrian protegé, Dollfuss, were armed with the very rifles which he had sent to Hirtenberg in 1931—and as a revenge, *Ecstasy* was not prohibited in Italy.

So far spread the ripples starting from Koloman Wallisch's exposure of the Hirtenberg contraband affair that Austria's financial situation was seriously affected. France and the Little Entente, now highly suspicious of the Dollfuss régime, delayed the flotation of their quotas of the Lausanne loan. Angered by the various diplomatic interventions, Dr. Dollfuss actually turned a little later to Hitler's Vice Chancellor, Herr von Papen, with an inquiry whether Germany would take over the French and Little Entente quotas.

The "Hirtenberg Arms Scandal" brought about the only voluntary public appearance in print of Fritz Mandl, who made the following statement in the *Wiener Sonn-und-Montags Zeitung* on Feb. 27, 1933: "It is not true that the head of a munitions factory must engage in politics. Political developments do not concern the prosperity of the Hirtenberg factory,

which is my only interest. Ninety-nine per cent of our products are exported." This was a strange admission in view of the peace treaty prohibitions of the export of arms and ammunition from Austria (which, Austria has only recently officially claimed, amounts to an embargo, which she says is strictly observed, of exports of war material to Italy). Hirtenberg arms and ammunition alone, Mandl claimed, amounted to 1 per cent of Austria's total exports. He added that under his control, in addition to Hirtenberg, were: the Lichtenwoerth State Arms Factory, the Gruenbacher Coal Company, the Solothurn Arms Factory (Swiss), the Niederlaendische Cartridge Factory (Dutch) and the Schoenbeck Cartridge Factory (German).

"We supply the whole world, but above all South America," Mandl said. He emphasized the fact that he had been educated "on strictly Christian principles, by the Piarist monks," and was pained that people would not believe that he never discussed business with friends with whom he liked to dine. He admired Prince Starhemberg so much, he said, "because he has entered political life as a man with clean hands and has sacrificed a great part of his fortune for his political convictions. Such a man *must* attain power." He added that "the expensive and seldom productive system called democracy was a luxury that might be borne with, perhaps, in prosperous periods," but that only a "strong man" with clean hands could save the Austria of the moment. After this statement to the press Mandl declared that he would never open his mouth again. He has kept that promise.

Yet behind the scenes Mandl shows a tireless energy. It is impossible to follow here all his incessant but invisible activities. Indeed, while those who are reputed to "know all about Mandl" are legion, serious requests for information generally strike the supposedly well-informed dumb. He has reinsured the protection of the existing régime in Austria for his armament transactions by the election of two Heimwehr leaders to his board of directors, and ex-Premier and ex-War Minister General Vaugoin, to the chairmanship.

The exposure of the arms traffic from Italy to Austria via Hungary was the immediate cause of the destruction of the Social Democratic party in Austria. To both Mussolini and the Heimwehr it was clear that as long as this party existed, with a Parliament and a free press that gave its members the power to make awkward revelations leading in turn to international action, Italian schemes of hegemony could never be realized. So at Riccione in 1933 Mussolini and Dollfuss agreed that the Heimwehr-Fascist program for the destruction of the Social Democrats must be pushed on at top speed and General Goemboes, equally interested in silencing these awkward mentors of the pleasantly slumbering European conscience, approved. The counter-revolution of February, 1934, was duly carried through the day after Dollfuss returned from a conference with Goemboes in Budapest.

With the success of the counter-revolution Fritz Mandl found himself freed from the check that Parliament, a free—even up to the last a partly free—press, and the Social Democrats, the biggest party in Austria, had imposed upon his talents. Mussolini found himself freed of the *enfant terrible,* Austrian Social Democracy, and, secure in Central Europe, looked toward Ethiopia for fresh worlds to conquer. Mandl, although as retiring

as ever in business matters, began to play an increasingly prominent rôle in the counter-revolutionary society that, voluntarily secluded since 1918, quickly emerged to warm itself in the sunshine of a régime that pressed back the riff-raff of republicanism to its proper business of praying God to bless the squire and his relatives and keep them in their proper stations. Mandl married his beautiful young actress wife and acquired from Prince Fuerstenberg in Pax, near Schwarzau-in-Gebirge, an extensive shooting estate. He has a large palace in Vienna and a country house and estate near Hirtenberg. As Vernon Bartlett in the London *News-Chronicle* wrote of Prince Starhemberg the other day, he, unlike Hitler, has not renounced wine, woman and song; the same is true of his boon companion, Fritz Mandl.

It was not till last October that Mandl, still invisible on the political stage, consolidated his power behind the scenes. The time had come for the régime to get rid of the man who had, in vulgar parlance, "done the dirty work" that had placed the counter-revolution in power, namely, Major Emil Fey. Before Fey quite realized what was afoot, he had become the victim of Austria's bloodless "30th of June." Happier than Roehm in Germany a year previously, Major Fey was "shot down" from power by receiving a directorship in the Danube Steamship Company instead of a hail of bullets. The ensuing Cabinet reconstruction was in every way favorable to the advancement of Mandl's influence. Dr. Buresch, Austria's veteran Finance Minister, was a stubborn sort, so into the new Cabinet came an adroit young lawyer, Dr. Draxler, friend and legal adviser to both Starhemberg and Mandl, to head the Ministry of Finance. Major Baar von Baarenfels, formerly a senior employe of Mandl, became Minister of Security. Herr Reither, Minister of Agriculture, and a rival of Mandl in his plans to add sugar refining to his other interests, disappeared. So did Odo Neustaedter-Stuermer who, despite his Italian blood, had once in the past had the temerity to wreck the Cabinet's plans for absorbing Austria completely into the Italian military system.

The road is now clear for Fritz Mandl to advance unobtrusively to still greater—and always invisible—control in Austria, and to international eminence. He is still only "Austria's pocket Zaharoff," but he is a young man, and as for the narrow limits of little Austria—is not the armaments international the greatest of all internationals? There is again ample employment on the banks of the rippling Triesting—for men who are Fascist-organized. At the Hirtenberg factory work is continuous day and night. But in view of the reiterated official assurances that Austria does not send war material to Italy, it would be most improper to connect this with the Ethiopian war.

Mandl at the present time has schemes for extension—for the building of war airplanes for Austria, in which he is backed by the Austrian Minister of Commerce, Stockinger, although Minister of Social Welfare Dobretsberger is opposed to the scheme, since the famous Dutch airplane firm of Fokker wants to revive the depressed area around Wiener-Neustadt by opening an airplane works there. But Mandl has powerful friends in Austria, and wherever in Europe (and in Austria) the international armament ring can pull strings. He will probably get his way.

Leaders of British Labor

By NAOMI MITCHISON*

At the last British general election more than 8,000,000 people voted for Labor candidates and about 10,000,000 for the nominees of the National Government. The leaders and parliamentary candidates of the Labor party who were in the minds of these voters are not, for the most part, old-style politicians. There is not much to be made out of politics if one is on the wrong side, and if one happens to be a real Socialist one does not even want to make anything. That last accounts for the group of fairly well-off middle and upper class "intellectuals" who were candidates at the last election, mostly in difficult constituencies. Thereby they lost both materially and socially, and they will lose more if a Labor Government is in power and puts through its complete program. But they lost far less than the working men and women who are victimized for political activity in the industrial areas.

The greatest Labor party leader in Great Britain is still George Lansbury, and perhaps the only one who is great by historical standards. At the party conference last October he gave up his formal leadership because it was incompatible with his convictions as a pacifist. The Labor party at that time had been on the whole completely taken in by the current propaganda, and was all for a righteous war under League auspices. The official policy is still that of armed sanctions, and must be for those who believe in force and believe that the present League of Nations can be anything but a League of things-as-they-are. But there was dissent by a minority, including Lansbury, Sir Stafford Cripps and several others on the political Left of Marxism or the moral Left of pacifism, and Lansbury's speech in justification of his own position brought his hearers back, sometimes in tears, to moral realities.

The probability is that "G. L.," as he is called, is a saint. He has the marks of it, including the particular irritation that sainthood has always caused among others. He is always right about important things and also, as the Conservative whip once said, he is the best tactician who has ever led the Labor party in the House of Commons. He can persuade the intelligentsia against their intellectual training. He is, of course, often wrong about unimportant things, as any one knows who has ever driven him about. He has a passion for the short cut that turns out not to be a short cut. But he lives consistently, as a Socialist, for others; his home is still in ugly, poverty-stricken Bow, and is very simple. He is a believing Christian, and when his wife died he was able to be perfectly cheerful about it, as a believer in immortality ought to be. He has his enemies, but not among the rank and file of the millions of poor. They know he has lived for them and would cheerfully and lightly die

*A member of the Haldane family and author of various books, the writer of this article has been a delegate to the British Labor Party Conference and a Labor candidate for Parliament.

for them and the idea of brotherhood in peace and love and without barriers of class or money.

Like earlier saints, Lansbury is capable of feats of extraordinary endurance. At seventy-six, after a broken thigh that would have finished most people, he was addressing five and six meetings a day during the general election campaign, and doing his job superbly. In normally unenthusiastic Birmingham, for instance, he had a crowd of 3,000, all standing, packed in a big empty garage, with a rainstorm drumming on the iron roof, and when he got on the coal truck that served as a platform the audience yelled and wept at him. For a few minutes at the beginning he was a shaky old man, very simple, getting the sympathy of doubters and opponents; then, with the utmost subtlety, he warmed up, speaking always directly of moral issues. As political technique the speech was a masterpiece.

Two other men in the party could have got something like that audience; one is Sir Stafford Cripps, the other Herbert Morrison. If the Labor party were to come to power, Morrison, the chairman of the London County Council, would have a good chance of being Prime Minister. He has shown he can run London, and he knows how to deal with people. The London Passenger Transport Board, largely his creation, is very efficient and works admirably for the millions who use his co-ordinated trains, street cars and buses. His reputation is that of a Right-winger; yet many in the Labor movement believe that he will be a real Socialist when the time comes, and if he is properly backed. He has a good record as an administrator, and the trade unions know he has something behind him as big as they are. The electors who thought of Labor as the planning party, thought largely of Morrison. That was not so, even a year ago, when he looked more like a bureaucrat than a leader. But he made one of the few conciliatory and constructive speeches at the party conference and he is willing to learn and explain. He is a plebeian; when he spoke over the radio to the electorate, he offended many by a dropped h. Short and thick, with big owlish glasses, he is "Boss-Eyed Bertie" to many; but they say it with affection and a certain confidence that they do not always have in their comelier leaders.

Sir Stafford Cripps is one of the more curious British phenomena; like George Lansbury he is for brotherhood because he is a Christian. But, unlike the majority of real Christians, he is also a prominent member of the Church of England, the State church with its hierarchies of Archbishops and Bishops and its great cathedrals. Cripps believes that the Church of England could be made into something very different, something like a far earlier church; he is an optimist, a man who refuses to be beaten or to be driven into sulking or doubt. His mother was one of the Potter sisters, that middle-class Victorian family portent which has not yet been adequately dealt with by the historians. These sisters were all eminently sane, intelligent and fiercely energetic; the most famous is Beatrice Webb who, with her husband, Sidney Webb, has influenced the nearly ruling thought of a generation. Lady Parmoor, Cripps's mother, was a younger sister. He himself is rich, party from inheritance but mostly because he is so good as a barrister that he is bound to go on being employed. But he gives his money away all the time, sometimes secretly, and always without patronage.

Between his wealth and the Church,

Cripps has lived, up till fairly recently, a curiously sheltered life. For that reason, and also because he is anxious never to be a crafty lawyer-politician, he sometimes makes political mistakes, and does much of his reasoning in the open at public meetings. Just because of his complete honesty he sometimes says tactless things, which can easily be taken out of their context and made into anti-Socialist publicity by opponents. He is the big bad wolf of Labor politics, and many Labor party supporters shake their heads over him and want him kept out of their constituencies—an attitude that seldom survives actual acquaintance with him, as he is so obviously gentle, intelligent and utterly sincere.

In the right mood he is a grand speaker, best of all in a poor district; in his own constituency of East Bristol his supporters do fantastic things —insist, for instance, on pulling his car from the station themselves. They know. Add to this, he feeds on raw vegetables. He resigned from the party executive over sanctions, and is out in the wilderness now. But even those who disagree with him most cannot help liking his sincerity and generosity. At his country house in the Cotswolds he and his wife lately helped to build a village centre in the local tradition of stone craft. But the neighbors do not visit, though he was at Winchester, one of England's great schools (on the other hand, he went to plebeian London University instead of Oxford or Cambridge), and is, in all conscience, a gentleman. Instead, his house is full of constituents, working men and women, sometimes unemployed; they feel at home there.

Major Clement R. Attlee is the leader of the party in the House of Commons. He is a nice family man, gentle and quiet, the kind of man who helps other people and sets ideas going in their minds, and whom even the wildest woolly heads respect. He was a historian at Cambridge, and has a historian's outlook; if complete reconstruction or change were necessary he would be prepared for that. He is sane, difficult to make use of for publicity purposes, but he knows what he is about. He is thoroughly grounded in socialism and knows, better than most, its historical necessity if any kind of civilization is to be saved.

Of the chief figures on the front Opposition bench in the House one of the most picturesque is Hugh Dalton, who has an enormous forehead which juts forward when he is speaking and which would do very well in the films. He is an Etonian, one of the first from the great English schools to gain office with the Labor party; he was Under-Secretary for Foreign Affairs. J. R. Clynes is a real proletarian, with a past as large as he is himself now small and shriveled; he is one of the old guard and was a great friend of Arthur Henderson. A. V. Alexander, the representative of the Cooperatives, is all one expects a cooperator to be, though more staid than in Robert Owen's time. Then there is Arthur Greenwood, the deputy leader of the party, a capable man, but somehow not very thrilling. Margaret Bondfield is efficient but formidable in manner. Except in their own constituencies and in places where they have spoken, none of these four are great public figures now, nor would the average voter be more than slightly aware of them.

Two or three of the best Labor leaders were defeated at the last election. Dr. Addison is one of the planners who would carry a Socialist policy through; he started life as a doctor at one of the large London

hospitals, but turned to agriculture, since food and health are very close together. During the war he was in the Ministry of Munitions and he knows, more than most, of the things that the British armaments profiteers did then; but he cannot say or write what he knows because of the British libel and slander laws.

Susan Lawrence, too, is out, and she is a loss; lively, bolt upright, with iron-gray hair and horn spectacles, a little easily shocked perhaps, but quite fearless. She was one of the few British politicians who prophesied at all accurately what would happen to the New Deal in the United States, for she is one of those expert travelers who make friends wherever she goes, and has them not only in the American trade unions and in the departments in Washington but in much less respectable quarters.

Ellen Wilkinson is one of the few women members of Parliament—a fiery, intelligent little redhead, with a rasping, North Country voice that can hold an audience where most men and any other woman would fail. She has a lively hatred of stupidity. The official mind is constantly trying to keep her in check, but she is always somewhere else, barking at it, making it feel thoroughly uncomfortable. Many of the senior members of the Labor party are still remarkably anti-feminist, no doubt in part because in many trades women are dangerous economic rivals, especially when they are not organized. In any case, this anti-feminism has made quite a lot of enemies for Ellen Wilkinson and her like, though she has her friends, too. She is a representative of one of the largest labor organizations, the National Union of Domestic and Allied Workers.

The Labor party as a whole is not strong in sex appeal. It has nobody like the earlier Lady Astor. Yet there is Jennie Lee, the fierce, pretty Ayrshire pit girl, who won scholarships and fought her way into an earlier Parliament, but who was defeated last time. She is in the Independent Labor party, further to the left, and for the time she must toss her wild black head in solitude. But her husband, Aneurin Bevan, a Welsh miner, holds a seat. His own people in South Wales believe in him completely; he is out for socialism in his own time, and he has the great Welsh quality of charming other people into agreeing with him and doing things his way. There are plenty more—among the pacifists, for instance, Dr. Salter, who has practiced medicine for years in a poor London district, and Reginald Sorensen, who worked as a boy in a factory and became a minister of religion.

Quite a lot of the Labor Members of Parliament are rather stupid, rather nice people, much loved in their own constituencies, but often without many ideas. Most of them have probably suffered for their opinions, and no doubt part of what they have in mind, whether they know it or not, is the desire to even out that suffering. Even if they have not suffered themselves, their close friends and relatives have, and they are deeply aware of it and cannot get away into the shadow realm of political metaphysics in which the old-time politicians used to play. Most of them have clearly in mind certain definite and immediate injustices that have to be put right; they can see that kind of thing clearly, but when it comes to the real issues of socialism, some of them are much less certain. They would be content with wide reform, but would be dreadfully upset if they had to face some of the consequences of real so-

cialism. Many of them, too, get lost in the elaborate net of British parliamentary procedure and tactics. Herbert Morrison knew what he was doing when he warned new members at the beginning of the session against too much friendliness with the other side—especially where drink is dispensed.

Outside the House of Commons there are important influences playing on the Labor party. Within the party itself is the Socialist League, of which Sir Stafford Cripps is chairman, a small body, but made up of thoroughly keen and well-informed Socialists, trying to push the party into taking its own policy seriously and logically. The Council of the League is a mixture of trade unionists and intellectuals, including two or three from the closest union of all—the lawyers, such as Pritt, for instance and G. R. Mitchison, who wrote *The First Workers' Government,* a book of practical Socialist applications, which upset quite a number of the more reformist party worthies. The league has branches all over England and Scotland, but the members must belong to the Labor party.

Outside the party are the Independent Labor party, the Communists—not a large party in England—and various vaguely sympathetic bodies such as the Federation of Progressive Societies and Individuals (the latter had to be put in separately, as some of them were too individually progressive to be able to join any society!), the Fabian Society and so on. The universities, have Labor clubs, whose members may or may not be party members. But young folk in Britain find it hard to keep out of politics.

Oxford, Cambridge and London are the universities chiefly affected. It was not for nothing that a young Fellow of one of the oldest Oxford colleges, himself a philosopher and classicist, was a candidate at the last city municipal election and is now a town councilor of Oxford. But in Oxford the chief influence is G. D. H. Cole, the economist and historian and occasional poet. He has been in politics ever since he was a boy. He is a teacher and inspirer—a corrupter of youth, as some say—rather than a platform leader, though he can speak extremely well when the mood is on him. He has put a twist in the lives of hundreds and thousands of young men and women, made them think in new and often uncomfortable directions, made them grow up different. During the last few years he and his wife, in some ways a better Socialist than he is, have written a number of books (as well as their bread-and-butter detective stories which reach a different audience) on various aspects of socialism, all of which have been widely read not so much by the intelligentsia as by adult classes, skilled workers and clerks.

And no study of British Socialist personalities would be complete without mention of Victor Gollancz, the publisher, who has put even Marx into the twopenny lending libraries.

What Cole has done for Oxford, Harold J. Laski has done for the University of London. And the London student, especially the young man or woman at the London School of Economics, is apt to take politics more seriously and less spectacularly than his fellow at the older universities. Laski is a brilliant lecturer and speaker; he stands rather slackly, with his young-looking face, and uses sweetness, irony, bitterness and argument. He can work up the dullest audiences into enthusiasm. But his main work is advisory. He and Cole have probably spent whole years of their lives in preparing careful and

valuable memoranda and suggestions for the party. Sometimes the advice is taken, but only too often the party machine finds it frightening or mentally indigestible and spews it out into the many waste-paper baskets of Transport House.

We must not forget Transport House and the party machine, nor the scoldings that come to those who go too fast for older and fatter cogs in the machine, nor the incredibly dull official *Monthly*—some of the local Labor papers are lively enough—nor the difficulty of getting an answer to a letter. Bureaucracy, it would seem, is an even more certain begetter of revolution than plain tyranny.

Still less must we forget the trade unions. When a man becomes a power in his union he must sooner or later make the decision between going into active politics, for instance, standing for Parliament, and being a permanent union official, for he cannot be both. So the secretaries of the great unions, whose funds are the mainstay of the Labor party, are not directly in politics, nor are they sensitive to real opinion as a politician must be. They are their own judges. But they insist, through the Trade Union Conferences, on dictating party policy. They are for the most part—and with honorable exceptions, especially among the miners—men with a tremendous sense of their own importance and of the necessity of things remaining as they are, at any rate where they are concerned.

Ernest Bevin of the Transport Workers, the biggest union of them all, may, of course, be a misunderstood man with a real love of social justice, but if so his actions are unfortunate, and it is a pity that he hates the intelligentsia quite so bitterly. He has a voice like a saw and high-blood pressure, so that one is always afraid that he might burst on the platform. His power complex is an unfortunate thing for British politics.

Most of the other union leaders have the same passion for power and prestige. At the last Trade Union Conference, men like Marchbanks and Dukes, capable and tough ex-proletarians, were all for a show of power by Great Britain, the boss State of the League; they waved alarmingly Shining and Righteous Swords. This was, of course, partly anti-fascism, the remembrance of what had happened to trade unions in Italy and Germany. But it was not the opinion of large numbers of pacifists and intelligent Marxists in their own unions.

These great unions stand to the Labor party at present as the brewers and ironmasters stand to the Conservative party. No one can quite see how to do without them. But that may come. It will probably come from within the unions, as the actual men and women who compose them become more politically intelligent and cease to have the kind of inferiority complex that can be resolved only by being forceful.

At present there are two very different tendencies in the British Labor movement: The belief in force for one reason or another—ultimately the old war mentality—and the belief that good means are as important as good ends. Those who believe this want power only to change it into something that it has never been before, an instrument not of revenge or greed but of the construction of a new kind of world. This cleavage goes deep, right to the heart of the electorate. Many are uncertain still, with a foot in both camps. The same thing is happening in other countries. What will happen to the world in the next few years depends on how the cleavage goes.

The New Deal as I See It

By DONNA ASHWORTH*

EVERY time I pick up a newspaper I see in bold, black headlines the words, "New Deal a Failure." These are not always the exact words, but, in one form or another, they express this meaning. I read long articles by famous party leaders, and even those who are not party leaders, telling in how many ways the New Deal has failed. There is talk again and again about the great tax burden that is being placed on the people. There is strong language against the Roosevelt spending program, the AAA, the NRA and other New Deal agencies.

Yet the words I read and hear seem to contradict what I see. Now I am just one of the common herd, a citizen of the United States, a woman who earns her own living. And despite all the doleful speeches, I seem to be free to go about my work as a law-abiding citizen, for I am not hampered by all the government regulations that apparently affect so many people.

I don't think that I am wholly ignorant of the past or present. Certainly as I read articles, or hear speeches, praising the accomplishments of the Hoover administration, facts almost forgotten are recalled. I remember that on election day in 1932 there was a strange unrest in America. There was murmuring in the marketplace. Mortgages were being foreclosed and people were losing their homes and farms. Those who had jobs were being dismissed because there was no business, and the factories were idle. There were long breadlines; thousands were hungry and cold. The citizens of the United States were afraid.

Those people who were hungry and jobless and worried were willing to try anything that would make for change. So they sent a new man to the White House. He gave no guarantees, but he said he would try. He said he would experiment, since existing conditions could be solved only by experimentation. Some of the experiments might fail. He expected them to, but he would do something, the best he could, so that business might resume its onward march and the hungry be fed.

And he started. Some of the things he did seemed wild and fantastic; some were strange. But they were progressive, forward-looking, and people had forgotten how to look forward. They had become afraid and had crept into corners, clutching the little that remained of their money and property.

Slowly the wheels began to turn. People lost their fear. The NRA was one of the first things to be put into action. In a recent political speech the orator shouted these words to his audience: "From this very platform I told you during the primary campaign, before I was elected, that the NRA would be declared unconstitutional and un-American. And that's what the Supreme Court did to it later. It will do a lot of these other New Deal schemes the same way."

All of which makes a very fine political speech, regardless of con-

*This homely account of a Midwestern woman's reaction to the New Deal is presented as a footnote to contemporary politics.

stitutionality, the workers of the United States—not the people who employ them, not the political leaders who clutched at the idea of unconstitutionality — know that under the NRA they received better treatment from their employers, shorter hours of work and a living wage for their effort. I wonder whether or not they call the New Deal a failure.

I was interested in a remark about constitutionality made by a man whose clear thinking I value. "It seems to me," he said, "that there is entirely too much said about the Constitution. When you stop to think that it was written 150 years ago, under conditions that were entirely different from those which exist now, by men who wrote it to meet the demands of their particular time, and who were not sure themselves that they had done a good job, it seems to me it might be changed to meet conditions that exist today without doing any great damage."

I have thought of that whenever I have heard discussion of the Constitution. I wonder if the men who rant the loudest have ever really read it, or know what it contains. They do know, of course, that people love the sound of words, that they like ruts—old ruts where folks do not have to think or do things in a different way.

Thus as I listen I keep wondering just why the New Deal is such a colossal failure. I do not understand exactly what prosperity means, but if travel has anything to do with it, then the country is again prosperous. Never before in the history of the country has there been so much tourist travel. The trains and buses have been crowded. The highways in good weather are lined with cars. In my own immediate group—working people, all of them—many individuals last Summer traveled to New York, the Pacific Coast, even to Mexico City.

Thanks to the housing administration, people are painting, papering, shingling; houses are being built. The stores are filled with people buying. Bank deposits grow because depositors no longer have fear. And money is flowing into the hands of the farmer.

Yet in the farm areas that I know there was much ado about the AAA and its regulations, about whether the farmer, for instance, could raise and sell over five bushels of potatoes without a government stamp. But I remember that long before the New Deal the curtailment of farm products was urged. And it was the farmer in the darkest days of the depression whose wails were loudest for relief.

Something was done to relieve him, and farm prices have advanced. But the farmer, like the manufacturer, wants not a little, but all, and when he begins to make a profit he wants more. The large-scale farmer wants to flood the market with his product, and let the small farmer get what he can. Or if the price is low, he wants to hold his crop until prices are better, knowing that in the meantime the little fellow will have to sell.

Everybody wants the other fellow's business regulated. The farmer wants the manufacturer to be supervised by the government and not allowed to form combines or trusts. But the farmer himself wants to be let alone, and when any regulations are made that affect him, then he calls out for change.

Is the New Deal a failure because the man who does not need corn-hog money is clever enough to get it and profit by it? Should the administration be condemned because men are as greedy as the hogs they raise, and care not whether their neighbors are

profiting? I know a woman who has no children, and she and her husband have plenty, but they realize that meat is going up. Because they have money, they are buying stock which they will sell at a huge profit. Yet this woman is most bitter against the administration, in large part because she must pay taxes to carry on the Federal relief program.

I know another woman who is making a name for herself with her anti-administration speeches. Her attitude, at least so her neighbors say, arises from the fact that her husband failed to file his corn-hog contract, properly filled out, at the right time, and thereby lost a $600 check. So she says the administration is a failure, and she does not want assistance from the government. She wishes to work things out for herself. She has a mortgage on her farm, but is now removing it through her anti-administration activities as a writer and lecturer.

The Federal Government, it seems to me, is not to blame because in the local administration of relief funds people who do not need jobs serve as supervisors and managers. That is the fault of the local politician who has some particular axe to grind, not of the administration in Washington. There is much local complaint because certain people have charge of Federal relief. There is as much grumbling among people who are supporting the New Deal as among those who are against it. But how can Washington be blamed if the local people fail to carry out its policies?

Despite this dissatisfaction, the hungry are not walking the streets. Instead they are building bridges and highways, beautifying parks, working on projects of every kind. In adult education classes those who have missed the opportunity for schooling are being given a new chance. In the CCC camps young men are receiving valuable training and experience. It may be a dole. What does it matter? It is a respectable dole, and certainly is far better than the neglect that preceded the New Deal, a neglect that was creating unrest and disturbance.

The administration may not have been successful in all its undertakings, but it has not stood still. It has tried to do something, has done its best with a mighty sorry mess, has tried to take the wreck of an economic system and establish it on a firm foundation. Could more be asked?

I am not a politician. I know nothing of political scheming, except that it seems to me that those who shout the loudest against the New Deal may perhaps be disgruntled because from their pockets money may be taken to feed the hungry. They would not give it from the graciousness of their hearts, but must have it taken from them through taxation. And those who would work their employes hardest, through the longest hours for the smallest sum, probably hope for the time when their profits may not be curtailed. The man who has great wealth may wish for the day when he can take as much as he wishes from the little man. And the politicians who are out of office are desirous, of course, of regaining power.

So as I read the papers and listen to the shouting, listen to the many, many words that the disgruntled politicians and citizens are saying, I look about me at life itself and think that they must be mistaken. I do not think my town is an exceptional town or the people I know are exceptional people. We are all just the great middle class. Yet, as far as I can tell, under the New Deal we are a good deal better off than we were before.

The Reviving Theatre

By JOHN K. HUTCHENS*

OLD joy has newly returned to Broadway. In its side streets and box offices, its theatre lobbies and managers' offices the talk is of the legitimate theatre's "come-back." The talk began last season, but without great conviction—one still whistled, passing the tombstones of the depression.

Now the rebirth is seemingly real. Hits reign, and ticket speculators are accordingly flourishing, as in other days. Even the box-office prices are creeping up. Productions are more elaborate; producers no longer look automatically askance at scripts requiring more than one setting. And in quality and range the best work now to be seen on our stage is excellent.

The art of the theatre and its financial prosperity go hand in hand, and rightly so. If the stage is to retain its freedom it must pay its own way, unfettered by subsidy and consequent pressure, official or otherwise. If the art of the theatre is to be important and free its business sense must be sound. Now, with the excitement of boom days flashing around us, it might be wise to ask what we have learned of art and business in the sobering era since those other boom days ended, and how desirable is the return of the so-called good old days and all they meant to Broadway.

Of art our theatre has learned a very great deal, not merely since 1929 but in the last ten or fifteen years; or rather, it has accepted and learned to use what it already knew. One is speaking now of Broadway at its best. Let any script of merit reach a first-line producer, and its production is more apt than not to be impeccable. One need look no further than the current season.

George Abbott's direction stings a farce, *Boy Meets Girl,* into the very perfection of the theatre of entertainment—crisp, funny, expert. Shakespeare returns with daring and delightful freshness at the hands of Alfred Lunt and Lynn Fontanne in *The Taming of the Shrew,* and with radiance and lyric loveliness in Katharine Cornell's Juliet. Norman Bel Geddes, only a few years ago considered by the commercial theatre to be an impossible visionary, gives us in *Dead End* the most monumental—and theatrically practical—realistic design seen in our time. With *Winterset* Maxwell Anderson brings back the great tradition of dramatic poetry, not in sonorous set speeches but timed to a modern theme, even a melodrama, and Jo Mielziner's settings dramatize it, actually play a rôle of their own, as no two-dimensional setting ever did under gaslight. The musicals are no longer mere "girl shows." They are festivals of beauty, like *Jubilee,* or of wit such as Beatrice Lillie brings to *At Home Abroad.*

That is part of a cross-section of only one Broadway season, but enough to point the technical goal toward which our stage is moving, a goal of which only the dreamers thought seri-

*Mr. Hutchens is a member of the dramatic department of *The New York Times.*

ously in the early Nineteen Twenties: the theatre conceived as a harmony of all its arts, writing, acting, music, the dance, orchestrated into a whole by the director, whose rise to dominance has been the most striking feature of the entire new movement.

So the theatre has learned to use, competently and often brilliantly, the several instruments of its craft. It would be an empty art if, granted this equipment, it used it to say nothing. It is a common charge against the stage that it lags behind its own time, is oblivious of the ideas and forces shaping the life around it. That is serious if true, and it has been true in the past, although a little delving into the records furnishes unexpected reminders. *What Price Glory?* (1924) was, for instance, as potent a cry against war as any we are likely to hear now. Today, outside the theatre of pure relaxation, playwrights are finding contact with life. In a questioning age they are asking questions, and whether or not they find the answers the result is a vitality and hope more sound than hits and high prices.

In an earlier time this drama called itself the problem play, at its best in Ibsen and Shaw. It is still the problem play, but known now as the propaganda play, and the difference in terminology is significant. The problem play attacked a general problem through individual character and destiny. Now, in an era of mass movement and approach, the attack on general problems is itself general. The impact is not that of persons but of forces. And, by no coincidence, most of this drama has come from groups working continuously together on a more or less common basis of political and artistic belief. Their work is the outstanding theatrical development in these years since 1929.

Of these the Theatre Union and the Group Theatre are the most notable, although the most effective full-length propaganda play—John Wexley's *They Shall Not Die,* based on the Scottsboro case—was offered by the not especially social-minded Theatre Guild.

The Group Theatre, founded in the season of 1931-32, is less revolutionary in tendency than the Theatre Union, but through at least half its career it has kept close to the social scene. Claire and Paul Sifton's *1931*—was a smashing picture of the disintegration of character through unemployment. John Howard Lawson's *Success Story* lashed the moral decadence of competitive commercial struggle. And last year, with *Awake and Sing!* and a bill of one-acters, *Till the Day I Die* and *Waiting for Lefty,* the Group introduced the playwright of the hour, Clifford Odets, who continued this season with *Paradise Lost,* dramatizing in type characters the bewilderment of the middle class.

The Theatre Union, which began in 1933 with *Peace on Earth,* the Sklar-Maltz diatribe on the munitions racket, has hewed more closely to a single line: the plight of the exploited —on the docks of a Southern seaport in *Stevedore,* in the West Virginia coal mines in Maltz's *Black Pit,* in the frustrated revolt of *Sailors of Cattaro,* among the mountain folk lured into the textile mills of Albert Bein's *Let Freedom Ring.*

These are plays that belong to the new and fighting propaganda theatre. They are not uniform in quality, of course, or even in method. Some, like *Peace on Earth* and *Success Story* have been hysterical and crude, not so much plays as first steps in a militant program. Others, like Odets's *Awake and Sing!* have carried their themes in conventional patterns. And

in any case they have succeeded or failed on their basis as good or bad theatre.

Therein, perhaps, is the surest sign of the coming of age of the social stage, in its self-criticism and self-discipline. Stridency and a message are no longer enough; the points must come through in theatrical terms; themes must be acted, dramatized, not recited from a soap box. The facts have proved this, and the theatre of the left wing is the better for it.

The Theatre Union's *Mother,* for instance, distorted Gorky's novel into a crabbed primer of revolutionary education. It failed even with the Theatre Union's organized and sympathetic audience, which likewise rejected *Black Pit* and its clichés of stock melodrama. On the other hand, Odets's *Waiting for Lefty* was superb theatre, swift in tempo, building to a climax that irresistibly caught its audience and, like *Stevedore,* left it shaken, excited—and thinking.

Not all the protest is so violent. Midway between the theatre of the left and that of routine Broadway is the playwright who is content to present a picture, talk about it and let his audience draw its own conclusions. He does not stack the cards. His approach is varied. It may be as quiet as that of S. N. Behrman, for instance, who last season in *Rain From Heaven* posed the dilemma of the intelligent liberal in a world of bigotry and hate. Behrman did not answer the question. Who could? He discussed it, in brilliant dialogue spoken by credible characters.

In *Dead End* Sidney Kingsley heightens with broad melodrama his contrast of the wealth and poverty that exist side by side along the East River; from that melodrama and its embryo gangsters there emerges with deadly clarity the relationship of poverty and crime. Maxwell Anderson, who with Harold Hickerson wrote a slashing journalistic play on the Sacco-Vanzetti case, *Gods of the Lightning* (1928), returned to the same theme as a maturer and richer artist with *Winterset.*

Three plays, *Paths of Glory, If This Be Treason* and *Flowers of the Forest,* have within a year turned to the subject uppermost in men's minds, the catastrophe of war, the peril of another one; they failed as plays but not for reasons involving their authors' integrity of mind.

Broadway has welcomed the salty humors of *Tobacco Road* and the absorbing tragedy of *The Children's Hour,* the production of which ten years ago would have been unthinkable. Times Square has not shied from experimentation. It was a commercial firm that brought us Sean O'Casey's *Within the Gates,* a momentous step in the drama of poetry, dance and song.

Over three or four seasons the list is long of alert, bold, thinking plays. The New York theatre, uptown as well as down, has been aware of the time in which it lives. Considering the barriers to success or even survival on Broadway, the record is remarkable.

Old excitement has returned to Broadway, and doubtless it is captious, ungrateful, to question its validity. It is the excitement of gambling, for the theatre is by nature a speculative venture, a never-ending wager on the public taste. The question is whether it is more of a gamble than need be. Year after year, as Morton Eustis has pointed out in *B'way, Inc.!,* 80 per cent or more of Broadway's productions are failures; 10 per cent may break even; 10 per cent or less make money. Here, obviously, is no ordinary gamble but desperate risk

at high stakes and with almost no half measures. The profits, or the losses, are enormous. And here, just as obviously, is a matter vastly important to the New York theatre considered as a permanent, popular art.

Elsewhere in the land the word security is currently a fetish. It is still alien to Times Square. More than that, it was a coward's word when the foundations of the present Broadway system were being laid only a few years ago—when new playhouses were rising almost overnight, when the "angel" money was rolling in from Wall Street, when real estate promoters in search of a quick clean-up were posing as theatrical men. Production costs did not matter then. The producer of a hit made a fortune; if not, there was always another backer. And while there were more plays than houses, the theatre-owner dictated terms.

Now Broadway is paying—or trying to meet the payments on—that folly of overbuilding on fabulously expensive ground. The effect upon the economics of the theatre is clear. Broadway operates on a foreshortened basis of forty weeks a year, omitting the three Summer months. But even assuming that a theatre plays forty weeks, which it rarely does, its major expenses of overhead run for fifty-two. Interest, taxes, insurance are shifted in the form of high rent to the producer who leases the house or takes it on a sharing agreement with the owner; the producer passes the burden on in the form of tickets priced as high as the traffic will bear.

The result, with a public trained by the depression to shop cautiously for its entertainment, is that almost any play is either a hit or a "flop." Unless it has extraordinary backing, or is nursed along at cut-rates, it cannot linger on the chance of building to that moderate success which was the background of the theatre in older days.

Decentralization of the theatre, a move to less expensive ground, is one answer, but it is a remote one. More immediate and practical is the revision of the Building Code as it applies to theatres. Film houses are allowed other sources of income—shops, office rents; legitimate houses are not. By the laws of 1905 their earning time is twenty hours a week, and non-existent when the house is dark. Now the drive is under way, and the Board of Aldermen of New York City is considering revisions that, if approved, will lead directly to popular prices.

Popular prices are more and more necessary. To the play that failed on Broadway the road once offered a chance to recoup losses. But the road, in the old sense, has disappeared. It flocks to see "names"—George M. Cohan, Katharine Cornell, Walter Huston. This season it has even supported second and third companies of plays still running in New York. But the long routes on which "the legitimate" could once count are sacrificed beyond redemption—to the films, radio, automobiles, union labor demands.

The effects are two. One is to stimulate the theatre outside New York to its own creative activity. Barrett H. Clark reports, after extensive travels, that a hundred university theatres have well-equipped staffs and stages, and that a hundred "non-professional, little and community theatres" each make four good productions a year, some of which he found "far above the average of Broadway." They play at low prices to the satisfaction and theatre education of their clients.

Still, as Mr. Clark virtually admits,

they borrow most of their material from Broadway. And the second effect of the vanished road is therefore doubly disturbing. As Broadway retreats into itself it tends to become specialized until it is without meaning to the country at large.

In the meantime this is "a good season" on Broadway, partly stimulated by outside funds. The film companies, steadily edging into the theatre, have backed at least a third of this season's productions. Their money is welcome. In some cases it has been a life-saver. Almost certainly it has raised the physical standard of production. Still, it is not as if the theatre were paying its own way. The question remains one of permanent security for the box-office and the artist, as it will continue to under the success-or-quick-failure system.

To the artist security was a question even before the depression threw a spotlight on it. In the entire season of 1927-28—that golden time—the Actors Equity Association admitted that 70 per cent of its members were employed less than fifteen weeks. The percentage of the employed and their working time are of course much lower now. Here, then, is another problem to be solved.

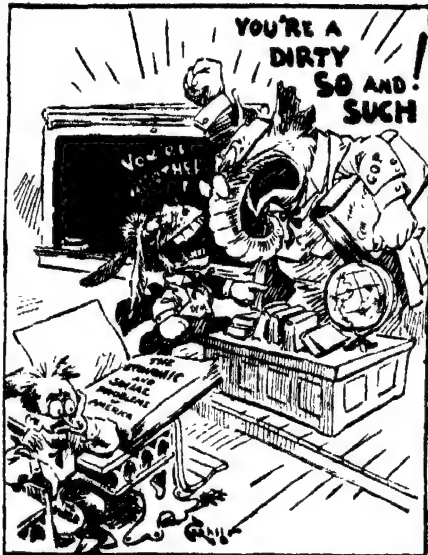
The answer most prominently before the public at the moment is the Federal Theatre Project of the WPA. Backed by an appropriation of between $6,000,000 and $7,000,000, its first objective is relief, its second the creation of a national theatre of component units. Some of them, it is hoped, will continue under their own power when the appropriation is exhausted; others may or may not survive with the aid of public funds. At this writing only three of the Manhattan projects have struggled through red tape to reach a stage; and in one case censorship, the perpetual menace of subsidy, has cast an unpleasant shadow. The future of the plan, clouded by politics, cannot now be predicted either fairly or with authority.

Summarily, the theatre is at a crossroads again, a not unfamiliar station. Its standards and the general competence of its workers are finer and greater than they were twenty years ago; its business basis infinitely worse. The two, it may be repeated, are inextricably linked. Gone is the old independent producer-manager, who offered his own plays in his own theatre, who saved the profits of success to pay for failure, and with him went as much stability as could exist in a risky industry. He was not concerned to make a million; all that he wanted was a permanent basis on which to conduct his business.

His nearest descendant today is the Theatre Guild. It owns its own house, maintains a business organization intact, has good years and lean ones—and continues. Miss Cornell follows something of the same program, on a smaller basis. Paradoxically, the other groups most closely resembling the old conservative order are the liberal and left wing theatres. The Group Theatre and the Theatre Union do not own their own houses, but they take what may be called the long view—planning ahead, economizing, retaining the nucleus of an acting company whose members have time in which to learn their craft. They sacrifice Broadway's large rewards, but they avoid its disasters. In that direction, it seems, lies the safest and most important theatre of the future.

Current History in Cartoons

And the party is just getting started!

—*Cleveland Plain Dealer*

Political education, 1936 style
—Des Moines Register

A difficult hurdle
—The Birmingham Age-Herald

The new Hoover
—Washington Post

A fisherman in search of bait
—Chicago Tribune

A law Congress respects

—New Haven Evening Register

"I seem to hear jingo bells in there"

—The Sun, Baltimore

Another hit-and-run driver

—The Post-Standard, Syracuse

A pleasant choice

—The Sunday Oregonian, Portland

Labor at the crossroads
—*St. Louis Post-Dispatch*

The Pied Piper
—*The Knickerbocker Press,* Albany

Humpty Dumpty together again
—*St. Louis Star-Times*

An echo in the valley
—*The News and Observer,* Raleigh

And it looked so easy
—*South Wales Echo and Express*, Cardiff

A dangerous road
—*The Dallas Morning News*

It's such a little bird!
—*The Sun*, Baltimore

Britannia's hat is becoming, but so expensive

—Kladderadatsch, Berlin

Will he commit hara-kiri?

—The New York Times

Hardly the cure for unemployment

—Daily Herald, London

Master of the Orient

—The Courier-Journal, Louis-ville

A Month's World History

Chronology of Current Events

(Figures indicate page numbers.)

International Events

Feb. 10—Four-Power agreement on cruisers reached (62).
Feb. 18—France backs Britain on Mediterrean pact.
Feb. 27—Mussolini protests against Five-Power Mediterranean pact (63).
March 3—League proposes peace negotiations between Italy and Ethiopia (57).
March 7—Germany garrisons the Rhineland (56).

The United States

Feb. 10—Supreme Court voids Louisiana tax on newspapers (67).
Feb. 17—Supreme Court opinion denounces third degree (67).
Court sustains TVA sale of surplus power (68).
Feb. 18—Senate passes neutrality bill (20).
Feb. 19—Townsend plan inquiry voted by House.
Feb. 25—School superintendents meet at St. Louis (67).
March 1—New farm bill becomes law (69).
March 3—President sends tax message to Congress (70).

Canada

Feb. 6—Parliament convenes (72).

Latin America

Jan. 30—President Roosevelt proposes a Pan-American Peace Conference (75).
Feb. 9—Léon Cortes elected President of Costa Rica (80).
Feb. 14—Chaco peace conference adjourns (77).
Feb. 17—Revolt breaks out in Paraguay (77).
March 2—Treaty between Panama and the United States signed (78).

The British Empire

Feb. 13—Second report on Britain's distressed areas made public (81).
South African Parliament convenes (83).
Feb. 17—Terms of Anglo-Irish trade pact published (82).
March 3—British armament program announced (80).

France

Feb. 13—Royalist organizations dissolved (84).
Feb. 16—Left holds demonstrations in Paris (84).
Feb. 17—Treasury secures loan from British banks (86).
Feb. 21—Sarraut upheld in Chamber (85).
Feb. 27—Chamber ratifies Franco-Soviet pact (84).

Germany

Feb. 11—Nazis arrest Catholic Youth leaders (89).
Feb. 14—Papal Nuncio protects arrest of Catholic.
Feb. 18—Dr. Goebbels issues decree muzzling church press (89).
Swiss Federal Council outlaws Nazi organizations (90).
March 3—Fish diet decreed to relieve German meat shortage (90).

Italy

Feb. 12—Huge aviation budget published (64).
March 3—Private banking abolished (64).

Spain

Feb. 16—Leftists lead in general elections (91).
Feb. 19—Azaña forms Cabinet of Left Republicans (92).
Feb. 21—General political amnesty decreed in Spain (92).

Eastern Europe

Feb. 4—Negotiations for Austro-Czechoslovak trade agreement resumed (94).
Feb. 14—Yugoslav Ministry receives vote of confidence (96).
Feb. 16—Bulgaria curbs foreign journalists (95).
Feb. 22—Veltchev trial ends in Bulgaria (95).

Northern Europe

Feb. 23—Estonian plebiscite on dictatorship (97).

The Near and Middle East

Feb. 1-29—Disorders and general strike in Syria (102).
Feb. 15—Egyptian Mixed Court of Appeals rules on payment of public debt (104).
President of Syrian Republic resigns (104).
Feb. 17—Turkish court acquits alleged plotters against President Ataturk (104).
Feb. 23—French High Commission makes concessions to Syrian nationalists (104).

The Far East

Feb. 20—Liberals gain in Japanese elections (105).
Feb. 26—Army coup attempted in Japan (106).
March 5—Koki Hirota accepts Japanese Premiership (107).

Defiance on the Rhine

By Allan Nevins

The first week of March closed in Europe with a thunderclap—one of those thunderclaps which may presage a storm, or which alternatively may bring a rapid clearing of the air and a brighter outlook. Two days after Hitler's speech to the Reichstag on March 7 the signals in Paris were set at "storm"; those in London were set at "fair." Events were certain to crowd rapidly upon the meeting of the League Council hurriedly called for March 13. The one assured fact is that Europe has reached a momentous new turning point: It will now slip rapidly down the road leading to a new war, or will soon climb toward a fairer and more secure state of peace. Already Hitler's speech and the regarrisoning of the Rhineland have given a new perspective to many recent events and tendencies in Europe as described in the various articles in this magazine that were written before that unexpected speech.

Hitler's sudden announcement that the Locarno treaty was dead and that German troops would occupy the Rhineland obviously represented an effort to seize a fast-vanishing opportunity. When he spoke the French Chamber had ratified the new defensive alliance with the Soviet Union, and the Senate was about to do so. Italy, faced by the virtual ultimatum from the League described elsewhere, was on the eve of halting her war in Ethiopia. The order to cease firing was actually issued by Marshal Badoglio on March 8; Mussolini could return to the Stresa front. The portent of a new and stronger defensive ring about Germany loomed up before the Nazi chieftains. Berlin reports indicate that heavy pressure forced Hitler to advance his proposed Reichstag address by a week and strike while the iron was still hot.

Thus the German troops were thrown into the Rhineland while the Franco-Soviet treaty was still uncompleted; while the Ethiopian imbroglio was still unsettled, and the relations of Italy with Great Britain and France were still confused and resentful. The stroke was well timed. And Hitler, by coupling with it an offer to return to the League, to sign a twenty-five-year non-aggression agreement with France and to restore the demilitarized zone if France will create one, effectively divided Great Britain from the French extremists.

It is a heavy blow to the old order in Europe. But was such a blow altogether a calamity? British opinion, even French opinion, was fast realizing that the garrisoning of the Rhineland was inevitable—that Germany could not be expected to endure this open frontier along her richest industrial area much longer. That Hitler's method of achieving the inevitable was outrageous, few will deny. So summary and so flagrant a violation of the Versailles treaty, on so slender a pretext, is certain to create added distrust of German sincerity and the German word. But history is replete with illustrations of the fact that no treaty ever endures long unless its signers believe it to be equitable. And

in this instance it is not important for Europe to spend time wringing its hands over what Hitler has destroyed. It is important to think of the opportunities that his various offers give for building anew.

Hitler declared on March 7 that he would create a new demilitarized zone if France and Belgium would establish an equivalent. He promised that Germany would sign non-aggression pacts with France, Belgium and Lithuania if they were offered. He engaged to sign an air pact with France and Belgium, to be guaranteed if necessary by Italy and Great Britain. Above all, he declared that Germany was now ready to re-enter the League.

It will be noticed that all this still leaves the way open for a German war of expansion against the Soviet Union —a war that Hitler may believe possible if circumstances make Poland and Japan his allies. But German reentry into the League would furnish some guarantees even against that. On March 9 there seemed more wisdom in London's talk of making the best of the situation than in the Paris talk of punitive action and no negotiations. One way to stop a wasting fever is to bring it to its crisis. Hitler has done precisely this. The crisis was alarming; but it gave European statesmen an opportunity to put their Continent on the road to convalescence. The mere fact of German readmission to the League would give the world greater hope than for years past. Could the opportunity be grasped?

ITALY AND SANCTIONS

Until Hitler's dramatic coup Great Britain's surprise announcement that she would support an oil embargo against Italy, made by Foreign Secretary Eden at Geneva on March 2, had seemed the most important event of recent weeks in international affairs. Followed next day by an agreement of the League to give Italy and Ethiopia just one week in which to open peace negotiations "within the framework of the Covenant," it presented Europe with a critical situation. Haile Selassie hastened on March 5 to assent to negotiations under League supervision.

But would Italy do so? If negotiations opened, how could Great Britain permit as generous an offer to Mussolini as that embodied in the Hoare-Laval plan? How could Mussolini, flushed with his recent victories, fail to demand even more? If negotiations proved impossible and oil sanctions began, would Italy leave Geneva and throw her lot in with Germany? Would a League embargo on tankers lead to a blockade, and blockade to war? These were questions which seemed important until on March 7, following Hitler's action, Italy announced her readiness "on principle" for negotiations. Next day fighting temporarily ceased.

It was pointed out in these pages last month that there had been method in the exasperating continuance of delay in an oil embargo. There has been abundant evidence that Italy deeply feared it. How could the threat of its imposition be timed to offer the greatest hopes of peace, the least risk of general war? Obviously, if it came when Italy had finally won a few face-saving but indecisive victories; when the financial and commercial strain was beginning to tell heavily; when the rainy season loomed just ahead—then Mussolini might at last listen to reason.

This was precisely the situation in which Mr. Eden made his decisive announcement on March 2. Marshal Badoglio had scored a triumphant advance in North Ethiopia. The Italian

masses had been treated to rhetoric and fireworks. Mussolini's precious prestige (the principal reason for all this turmoil, squandering and bloodshed) had been bolstered anew. Yet before Italy still spread the possibility of at least another year of wasting warfare and hardship, ending in bankruptcy. If Mussolini would not seize this opportunity of peace with credit then the prospect of any tolerable peace was dim indeed. So Mr. Baldwin and Mr. Eden must have reasoned.

There were other reasons why Mr. Eden acted at this juncture. It seemed a favorable moment in which to push for peace. But quite apart from this, the time had come when the British Government could no longer defer its decision on oil. Public sentiment in Great Britain, as the debate which brought out Mr. Eden's speech of Feb. 24 showed, sternly demanded action.

The long-awaited report of the League's technical committee on oil sanctions was published on Feb. 12. The experts agreed that an embargo on oil exports, universally applied, would cripple Italy and stop the war in from three to three and a half months — *if* the United States restricted its shipments to the 1934 level. If the United States failed to cooperate, Italy could maintain her supplies. She would merely have to make special exertions and pay higher prices.

As for an embargo on tankers, the experts found that it would be subject to the same limitations as that upon exports. Italy possesses enough tankers to carry half her supplies; and she could obtain the other shipping from the United States and Germany if these nations refused to cooperate with the League. The committee held that the most practical form of embargo upon transportation would be one that prohibited both the sailing of League-controlled tankers to Italy and the sale of tankers to nations outside the League. But the attitude adopted by the United States would be decisive all along the line.

This report makes it clear that if oil sanctions had been applied last Fall, the war would now be over; that is, unless Mussolini had flung his armies in desperation at the throat of France and Great Britain. Italy, according to the technical committee, consumed in 1935 about 3,500,000 tons of oil. Her stocks on hand at the beginning of February, 1936, were about 800,000 tons. Only negligible economies can be effected by the production of substitutes. All the important sources of petroleum save the United States are under League control. As for the United States, in the period 1931-34 it furnished only 6.6 per cent of the total consumption by Italy.

If the Canadian proposal of Nov. 2 for adding oil, coal, steel and iron to the embargo list had been adopted immediately after the Committee of Eighteen approved it, public sentiment in the United States would not have permitted our oil interests to supply the deficiency. By Christmas, therefore, both the industrial machine and the war machine in Italy would have been slowing down. Within a few weeks thereafter Mussolini would have had to make terms.

The experts' report also made it clear that even yet the oil embargo offered an excellent chance of compelling Italy to yield. To be sure, on the same day that the report was published, the Foreign Relations Committee of the American Senate presented a neutrality bill far weaker than the legislation for which President Roosevelt had asked. Passage of the revised

neutrality legislation a few days later was regarded as a heavy blow in League circles, a victory by Italians. The proposal to let the President impose peacetime quotas on a considerable list of war materials went by the board. Nevertheless, Mr. Roosevelt made a public appeal to American business on Feb. 29 asking it not to capitalize foreign wars by increasing exports to belligerents. It would require an enormous increase of American oil exports to give Italy an adequate supply. Even partial loss of her normal imports would assist the original sanctions by striking a heavy blow at Italy's commercial life. The chances are that an embargo would prove disastrous long before the Summer rains are ended.

It must be remembered that, under Article XVI of the Covenant, oil sanctions are not optional but a duty. This article requires every member of the League to sever all economic relations with a nation that has been duly pronounced an aggressor.

The reasons why an embargo was not immediately laid upon oil were simple and, it must be confessed, in part cogent. M. Laval had made his own bargain with Mussolini. It is now known that at the Paris meeting of Dec. 7-8 he held up before Sir Samuel Hoare the threat that France would vote against an embargo if Great Britain proposed it. The British could not lightly risk a destruction of the Anglo-French front. Moreover, Mussolini was making a far direr threat of his own—the threat of a naval war in the Mediterranean. It is certain that he filled Europe with rumors that an embargo would be the signal for an attack on the British fleet, on Malta, on Egypt. When the archives are opened, it will possibly be found that he gave explicit assurances of such an attack. Hence the initial postponements, the Hoare-Laval peace plan, the renewed postponements. Hence also the growing disgust of Americans with what seemed to be French duplicity, British timidity and a general European disposition to pass the buck to the United States.

But by March 2 the reasons that actuated Mr. Baldwin and Sir Samuel Hoare in their backing and filling were no longer operative. A more decisive course had become possible. For one thing, the Anglo-French front was no longer in danger. Laval had been ejected from office. The disgust of a large body of French opinion with his policy and the devotion of the French Left to the League had been forcibly demonstrated. Whatever happens in Europe, France will stand by Great Britain. Moreover, M. Flandin told the Chamber in February that since France neither produces nor carries any important quantity of oil, she would adopt a passive attitude toward oil sanctions. If the League chose to declare an embargo, she would certainly not oppose it.

As for Mussolini's threat of a naval war, recent developments have reduced that to an absurdity. Because of explicit agreements for mutual assistance, the first Italian shot at a British vessel would now bring France, Turkey, Greece and the Little Entente into war on the British side. Even Mussolini would hesitate long at so suicidal a step.

Altogether, the step that Eden took at Geneva had become inevitable. After long delay, the power that has become the principal League champion was ready to do its full duty. Of all the difficulties with which the situation then bristled, the possibility that American oil would break the embargo deserved the least consideration. It could not be denied that this

grim possibility existed. But if the League was to survive, its leaders must do their part and leave the rest to Providence. Some American might choose to dabble in a pool of blood for money, but the conscience of the League powers would at least be clear. Even if the embargo failed, the League would stand higher in men's eyes. And if Mr. Roosevelt and Mr. Hull's policy be any index of the general American position, American oil interests would find certain difficulties in wringing profits out of a single-handed support of Italy's war of aggression.

What of the future? Theoretically, the ideal ending of Mussolini's Ethiopian adventure would be a complete victory for the League, with Italy forced to accept the proposals of the Committee of Five which she so cavalierly rejected last Autumn. Actually, such an ending would be far from ideal. It would leave a legacy of bitterness in Italy that would eventually cost the world dear. A compromise ending will have to be found—and a compromise that will please no one. It seemed plain on March 6 that if the Committee of Thirteen could not offer Italy as good a plan as that formulated by Laval and Hoare, Mussolini would reject it. It seemed plain that if it offered such a plan, public opinion in Great Britain, in half of France, in the small nations of Europe, would rise in passionate revolt. The situation called for give and take, for willingness by all concerned to surrender not merely something but a great deal.

Here is found the essential tragedy of Mussolini's whole base enterprise. The only possible outcome of the affair today is one that will damage, in greater or lesser degree, every interest involved. Indeed, the damage has already been done. Italy has been damaged by expenditures that must further impoverish one of the poorest of the great nations. Ethiopia has been damaged by frightful loss in property, life and order, setting back the cause of civilization in that land by years. Race relations over half the globe have been damaged. The League, the best hope of a better world order yet created by man, has suffered disheartening damage. To gain a little cheap glory, to divert a restive population from its political and economic discontent, Mussolini has run up a staggering bill for all mankind to pay. The great fact that modern war never profits any nation, anywhere, at any time, has been demonstrated anew—but it was a superfluous demonstration.

THE FRANCO-SOVIET PACT

One of the many symptoms of the steadily increasing tension in Europe —a tension that Eden's speech of Feb. 24 termed "dreadfully similar in character and portent" to that before 1914 —was the ratification by the French Chamber of Deputies of the treaty with the Soviet Union. This treaty was signed by M. Laval last May after the breakdown of the "Eastern Locarno" scheme. It pledges the two nations to give each other armed assistance in the event of "unprovoked aggression" within Europe. In France it has neither aroused great enthusiasm nor encountered marked opposition, but the Little Entente views it with more ardor. For them it spells increased protection against Germany. Within the Reich, of course, it aroused intense resentment.

The fact that the treaty is aimed at Germany has never been concealed, and the unanimous German view is that it represents the hateful policy of "encirclement." To Berlin's denunciation of it on this ground the

French make two answers. First, they point out that it is purely defensive, and has been drafted with the utmost care to conform both with the League Covenant and the Locarno treaties. It applies only to "unprovoked aggression." Even if Germany offers such aggression, France and Russia will wait upon the League's decision before acting. To be sure, if the League fails to act or to reach a unanimous decision, they may then take independent steps. In the second place, the French point out that Germany is at liberty to enter this defensive agreement at will, and that it is her own fault if it has been concluded without her participation.

Neither argument satisfied the German critics. Since the Reich has rejected the League, and regards it as a combination to enforce an unjust peace treaty, assurances that the Covenant will be respected mean nothing to it. And since Germany is intent upon treaty revision, an iron ring is an iron ring even if it is merely "defensive."

Having contended since last May that the Franco-Soviet pact violates both the spirit and letter of Locarno, Germany gladly used it as a pretext for ending the demilitarization of the Rhineland zone. The fear of such a step had long agitated the French. When on March 5 it was announced in Berlin that the Reichstag would meet in extraordinary session to hear an important statement by Chancellor Hitler on foreign policy, the French press at once bristled apprehensively.

The dramatic events of the next few days have already been noted. Meanwhile, some observers doubt whether this special treaty is a contribution to peace or precisely the opposite. Many Poles share the German antagonism to it.

It was assuredly unfortunate that the League and its general scheme of "collective security" are not strong enough to make such one-sided arrangements unnecessary. But Hitler had done more than any one else in Europe to weaken faith in the League system and increase the threat of early war, and he could not be surprised if defensive movements by France, Russia, the Little Entente and Great Britain leave him increasingly isolated.

REARMAMENT

On the Continent February was a month of hurried journeyings by various leaders, provocative of not a little humorous comment. General Goering went to Poland—ostensibly on a shooting excursion. The Austrian Foreign Minister went to Florence—ostensibly for a rest. Italian emissaries, late in February, held important conversations in Berlin. Dr. Hodza, the Czechoslovak Premier, visited Paris, whence he was going to Belgrade and probably Bucharest. Early in March Vice Chancellor von Starhemberg of Austria was in Rome. The Austrian Chancellor, Kurt Schuschnigg, had arranged a meeting with Premier Goemboes of Hungary.

What all this scurrying about meant was probably not wholly clear even to the excursionists. The usual deduction was that Germany was "strengthening her ties" with Poland; Italy—after failure to reach any agreement with the Reich—with Austria; France with the Little Entente. The one certainty was that the Little Entente felt far happier since Flandin had taken the helm in France, for (like the rest of the world) it never trusted Laval.

One nation meanwhile was preparing to stand alone if necessary. Throughout the early days of Febru-

ary the British press was filled with rumors of impending changes and clarifications in armaments policy. Supplementary estimates issued on Feb. 17 provided £13,146,000 for unforeseen defense expenditures; half of this being for special measures taken in connection with the Ethiopian dispute. This was an uncomfortable curtain-raiser for the new defense program. On March 3 the Cabinet set forth part of this program in a White Paper. It covered only one year's construction.

The program for the next twelve months calls for two new battleships, presumably of 35,000 tons, and six new cruisers. A large mosquito fleet is also contemplated. It calls for an increase of 250 aircraft over the force of 1,500 machines already provided for. These new airplanes will be more formidable and costly than those previously built. The army is to be increased by four battalions, and mechanized in all sections, while Singapore and other outlying defenses are to be strengthened.

While Liberals and Laborites prepared to oppose certain features of this program, it was certain of passage in Parliament by large majorities. It means that Great Britain, which not long ago believed that no major conflict would occur within ten years, now fears that one may be precipitated upon Europe at almost any hour, and intends to insure the Empire's safety even though it means heavy new burdens to the taxpayer.

A DRAFT NAVAL AGREEMENT

The Naval Conference in London, deprived of the greater part of its importance by Japan's withdrawal, nevertheless remained hard at work throughout February upon a draft-agreement which the United States, Great Britain, France and Germany might initial. The Italians served notice that they would subscribe to no treaty whatever so long as League sanctions remained in effect. But as the month ended, representatives of the other powers had reached tentative agreement upon certain limitations in types of warships—not, of course, in tonnage to be built within these types.

It was reported from London on March 9 that a new naval treaty had been completed, except for escape clauses and replacement provisions. The proposed treaty was said to limit battleships to 35,000 tons, cruisers to 8,000, aircraft carriers to 23,000 and submarines to 2,000. During the life of the treaty no 10,000-ton cruisers would be built, nor would vessels in the zone from 8,000 to 17,500 tons. The age limit for battleships would be extended from twenty years to twenty-six. Finally, the treaty would provide for an annual exchange of building programs.

Before the treaty is completed it is understood that clauses will be added freeing Great Britain, the United States and France from the various limitations should they be violated by Japan or Italy. Ultimately Germany and the Soviet Union would be bound to the several limitations through separate treaties with Great Britain.

These clauses in a general naval treaty will, of course, require ratification by the several governments. They represent very slight alleviations of the armament burden now being placed upon the world, and in no way preclude the possibility of a great naval race among the major powers. But the gain of even a few inches against armaments and war commands gratitude in these gloomy days. The treaties will become effective in 1937 and run until the end of 1942.

War-Strained Italy

By WILLIAM E. LINGELBACH

THE Ethiopian campaign during February became more and more a matter of national concern to the government and people of Italy. To the anxiety over the military situation in Africa and the accepted necessity of a prolonged campaign were added the irritation over the Five-Power Mediterranean pact, the grinding pressure of sanctions and the threat from Geneva to extend them to oil. Military victories alone could afford a way out.

When war bulletins about the middle of the month began to bring news of victories on both the northern and southern fronts, flags were unfurled in all Italian towns. Schools and many business establishments were closed for a half holiday, and streets and public squares were filled with crowds shouting, "Viva Il Duce" and "Viva Badoglio" and singing "Giovinezza."

About the same time the unanimous decision of the Fascist War Council to push the war in Africa as vigorously as possible was also reported. On Feb. 27 Mussolini lodged a formal protest in Paris against the Five-Power pact and the French statement to the effect that France joined the others in "pooling her resources against any unprovoked attack in the Mediterranean." Italy, the protest said, would not only join Germany, if Great Britain and France forced the adoption of an oil embargo at Geneva, but would consider the Stresa accord violated and the Franco-Italian treaty of January, 1935, abrogated.

The proposals for peace forwarded on March 3 to Italy and Ethiopia by the League Committee on Sanctions, requesting a definite reply by March 10, were therefore interjected into an entirely new situation. If, as the Fascists seem to think, the principal objection to the Hoare-Laval accord was the fact that it proposed to give Italy more than she had conquered, that objection, considering the victories in Ethiopia, no longer held. Italy, said the Under-Secretary for Colonies, has repeatedly stated that peace must take into consideration Italy's need for defense and security; reasonable opportunity for expansion, and a recognition of her treaty rights.

The campaign against Ethiopia is, of course, far from won. The risks are still great. The pressure of sanctions is increasing; the sick and wounded are being brought home, and the nation is beginning to realize that it has a real war on its hands. On the other hand, many governments are tired of sanctions and all are anxious to see the Ethiopian question liquidated because of the greater danger in Europe. The colossal race in armaments, the return to a system of alliances and treaties excluding both Italy and Germany and surrounding them by a sort of sanitary cordon in the interests of peace, is driving Italy unwillingly into the arms of a reluctant Germany.

In its denunciation of the Five-Power Mediterranean pact, the Fascist press also took exception to the statements of the Earl of Stanhope, the British Under-Secretary for Foreign Affairs, that the British fleet

was moved from Malta at heavy cost because the Malta base was vulnerable and dangerous in the face of the Italian threats. Italy, it was stated, had given repeated assurances to Great Britain that she had no intention of attacking Malta or the fleet, and that in any case the condition of Malta could not explain the concentration of the British Home Fleet in the Mediterranean.

On Feb. 12 the Italian Government announced its aviation budget for 1936-37. Exclusive of the needs of the campaign in Africa, it calls for an outlay of 990,400,000 lire, more than 100,000,000 in excess of last year's. To this were added heavy appropriations for extraordinary colonial aviation needs.

In the meantime, the government's control over the economic and social life of the nation was being steadily extended. The exclusion of Italy from the ordinary commerce of the world has forced the government to strive for economic self-sufficiency. Count Volpi's Committee on Italian Industry, working with the new Ministry on Foreign Exchange and Trade Control, has been pushing forward plans for the extension of State control. The Fascist Grand Council has placed foreign trade entirely in the hands of the government, with the implication that arrangements to this end shall be made with the idea that they are to be permanent.

Equally significant for the status of private capital was the decision on March 3 by the Council of Ministers to abolish all private banking. In a sweeping banking reform measure Italy's four great banking institutions —the Banca Commerciale Italiana, the Credito Italiano, the Bank of Italy and the Bank of Rome—were declared public or State banks. Other banks, like the Banco di Napoli and the Banca Nazionale del Lavoro, were also included. This means complete direction and control of all banking operations and credit by the State, as well as a new move in defense of the currency. How necessary this is cannot be determined because of the absence of dependable statistics. According to official statements the drain on the gold reserves has been less in the last six months than it was. An Inspectorate for Defense of Savings and the Exercise of Credit, with Mussolini at the head, was set up with jurisdiction over stock exchanges, while the powers of the Instituto Mobiliare Italiano, which is not unlike the Reconstruction Finance Corporation in the United States, were greatly extended.

Adjustment to sanctions is being made constantly. Oil imports from Mexico, the Dutch West Indies, Russia and Rumania have been enormously increased. Under special agreements with Germany large quantities of shoes, spades and other tools have been bought from Germany, while despite sanctions, transports and tankers are being bought in London. The latter are of special importance in augmenting Italy's available tonnage for oil, estimated at about 320,000 tons. For Italian realists, familiar with the subterfuges for evading the Napoleonic decrees and the Orders in Council of a century ago, even oil sanctions are not regarded so seriously. Certainly if the pipe lines of the United States remain open, oil sanctions by the members of the League are apt to prove abortive.

During February the *Giornale d'Italia* made public a secret report of a British Inter-Ministerial Commission of June 18, 1935, which was apparently believed to reveal to Italians

the perfidy of British policy in resisting Mussolini's program in the Italo-Ethiopian dispute. Printed under large headlines in the Fascist press, it received an extraordinary circulation. Its reception and effect were not, however, as startling as was expected, for the report states explicitly that "no vital British interest exists in Ethiopia or its neighborhood to oblige His Majesty's government to resist a conquest of Ethiopia by Italy."

This statement flatly contradicts the accusations that Virginio Gayda, the editor of the *Giornale d'Italia* has been making with so much bitterness, to the effect that Great Britain was opposing Italy in Ethiopia solely for selfish and imperialistic reasons. To be sure, Fascists can argue that the opinions of the Ministerial report were disregarded and that they did not reflect the opinion of the government. Whatever the facts in the case may be, one thing has come out clearly as a result of the incident, namely, that France in a secret agreement with Mussolini in January, 1935, which was reported to the British Foreign Office on Jan. 27, 1935, pledged herself to non-interference in an Italo-Ethiopian conflict.

With the Armies in Ethiopia

By Robert L. Baker

From the welter of conflicting reports about the fighting in East Africa during February and early March there emerges one indisputable fact, and that is that the Italian armies under Marshal Badoglio made considerable progress. By March 6 they had retaken the territory in Tembien Province that had been abandoned mainly for strategic reasons in mid-December and had captured Mt. Alaji, some thirty-five miles south of Makale. Perhaps as much as 1,000 square miles in the north was either conquered or reconquered.

The manner in which this progress was made and its significance are not so clear. According to Italian communiqués, a great battle was fought at Mt. Amba Aradam, south of Makale, from Feb. 10 to Feb. 15, and the army of Ras Mulugheta, Ethiopian Minister of War, 80,000 strong, was routed with terrific losses and ceased to be an effective fighting force. After considerable delay, Ras Mulugheta declared that there had been no battle at all and that he had purposely retired when he learned that an attack in force was about to be launched against him. Which of these two versions is one to believe?

Again, the Italian headquarters announced on March 1 that the armies of Ras Kassa and Ras Seyoum, which had been threatening the Italian right flank in Tembien Province, had been trapped and shattered with 10,000 casualties, as against Italian losses of only 1,000. The two redoubtable chiefs lived, however, to deny that they had been disposed of, but admitted that they had withdrawn from the Tembien area because of "the noxious presence of countless bodies, Italian as well as Ethiopian." Can it be that these raw-meat-eating mountaineers are becoming fussy?

If the Italian claims are true, then Mulugheta, Kassa and Seyoum were

guilty of the cardinal mistake of trying to defend fixed positions against artillery and bombs, since their only hope of a favorable decision lies in shrewdly conceived and swiftly executed guerrilla tactics. European experts have advised them to permit the enemy to extend his front as much as he desires, to attack his communications in night raids and, in whatever situation, to avoid pitched battles.

There has been little activity on the southern front since General Graziani's successful drive up the Ganale Dorya Valley in January. Preparations are doubtless being made for an attack on Harar, but the rains and hot season may intervene before it can be undertaken. Foreign experts remain of the opinion that the Italians can best force a decision in the south—by capturing Harar, stopping traffic on the Addis Ababa railway and cutting the caravan routes to British Somaliland over which come nearly all Ethiopia's munitions. In Italy, however, it is expected that the decision will be won in the north, where the greater part of the Italian forces are concentrated.

But no one believes that a decision can be achieved this season, at least by the army. The rains normally begin in March and observers predict that Marshal Badoglio will shortly halt his advance, secure his front lines by means of blockhouses, trenches and barbed wire, and then prepare for a decisive campaign in the Fall.

In Defense of Civil Liberties

By CHARLES A. BEARD

LITTLE do we know about the causes of events; still less of consequences to come. Personalities and incidents that blare in the headlines today may sink into the obscurity of oblivion in a few brief days or years. The obscure of the hour may become the immortal. A small-town politician of Illinois in 1840 lives in all history as the Emancipator. Yet if the history of centuries is not now closed, current events reflecting the old struggle between liberty and authority will fit into a long chain of actions projected into the immense future.

In this light two decisions of the Supreme Court and the resolutions of American school administrators at St. Louis may well exceed in importance any other happenings of the month, not excluding judicial validation of one phase of the Tennessee Valley Development Act. New devices may be invented by Congress to get around the AAA decision. The Constitution may be amended. But if freedom of the press and teaching and due process in trials at law are not preserved, temporary economic advantages may turn to dust and ashes.

The first of the decisions to which reference is made above involved an effort of a State dictator, Huey P. Long, to strike at the newspapers that opposed his policies. Under his personal direction the Legislature of Louisiana passed an act imposing a 3 per cent tax on the gross advertising revenues of all newspapers in the State with more than 20,000 weekly circulation. The newspapers affected by the act, thirteen in number, were

published in the large centers where opposition to Senator Long had been especially strong.

Nine publishers joined in attacking the constitutionality of the act, with the aid of Elisha Hanson, counsel for the American Newspaper Publishers Association. They alleged that the statute abridged the freedom of the press in contravention of the due process clause of the Fourteenth Amendment and also denied them the "equal protection of the laws" in violation of the same amendment. The Supreme Court of the United States was unanimous on Feb. 10 in holding the Louisiana statute void. Justice Sutherland rendered the opinion. Besides reading an eloquent essay on freedom of the press, studded with historical gems, Justice Sutherland declared that the law in question was passed with the plain purpose of "penalizing the publishers and curtailing the circulation of a selected group of newspapers."

Purists in jurisprudence found Justice Sutherland's opinion a strange and radical interpretation of the "due process" clause, but the technicalities of law were overlooked in the general rejoicing that greeted the decision. After all, it was not much out of line with the small and growing number of cases in which the Supreme Court has recently been giving attention to the rights of persons and liberty of opinion, as distinguished from the vested interests of property owners. Roscoe Conkling and John A. Bingham, who took a prominent part in drafting the Fourteenth Amendment, may well wonder from their graves at the marvels of their handiwork.

Somewhat more in line with the occasion that produced the Fourteenth Amendment was a second decision of the Supreme Court on Feb. 17. On that day, again by unanimous vote, the court set aside a death sentence imposed on three Negroes accused of murder in Mississippi. The record showed that confessions had been wrung from the accused by beatings and whippings, with officers of the law present. With that merciless precision of which he can be master at will, Chief Justice Hughes read the riot act to all police officers who resort to the third degree. He called the methods pursued in the name of the law in Mississippi revolting to a sense of justice, and declared: "The rack and torture chamber may not be substituted for the witness stand."

In language that a rural sheriff and a flat-foot on patrol cannot fail to understand, the Chief Justice said: "The State may not permit an accused to be hurried to conviction under mob domination, where the whole proceeding is but a mask, without supplying corrective process." Thus the firm and strong Charles E. Hughes, who more than once as a private citizen had made public protest against the violation of civil liberties, wrote a new chapter in the law of the land. If this decision also offered a striking contrast to early decisions under the Fourteenth Amendment, it was in complete harmony with the more recent rulings under head of due process in a strict sense.

Coming closely upon the heels of the two Supreme Court decisions affecting liberty of the press, and the maintenance of due process against mob pressures, was the "unprecedented action" on Feb. 25 of the organized school administrators at St. Louis in convention assembled. Speaking for more than 7,000 school superintendents, the convention, with only three dissenting votes, went on record against the efforts of interested minorities and politicians to control the schools of the country.

This stroke had a long background. For years the Hearst newspapers, aided and abetted by some representatives of patriotic societies, had been branding even old-fashioned American liberalism as revolutionary communism and had been demanding the dismissal of such educational leaders as Dr. Charles H. Judd, President Hutchins of the University of Chicago, and President Graham of the University of North Carolina. They had been sponsoring loyalty oaths for teachers and laws prescribing subjects to be taught, or not taught, in the schools. At the Atlantic City convention of superintendents in 1935 plans were on foot to introduce a resolution praising the methods and aims of the Hearst press. Owing to the opposition that developed at Atlantic City this movement was blocked, but no counter-action was taken in strong terms. At St. Louis in 1936, however, the organized superintendents of America made a defiant answer which all their critics could comprehend.

They took up first the recent act of Congress which in effect, if not in intent, practically forbids all mention of communism in the District of Columbia schools, even in teaching the history of Russia. When Russia comes into consideration, said one sponsor of this legislation, "only the geographical facts" are to be given. As a result the schools of the District have been in an uproar all Winter, and school children have been displaying an unwonted interest in the forbidden topic. Taking this situation into account, the St. Louis convention declared itself opposed to the re-enactment of the "anti-communism" clause, expressed the view that teachers were obliged to present "all available facts in controversial issues," and notified Dr. Frank Ballou, Superintendent of Schools in Washington, of its position in the case.

The St. Louis convention also took up the case of Dr. Payson Smith of Massachusetts, who had been dismissed, after nineteen years of service, for opposing the enactment of the teachers' loyalty oath in that State. The superintendents condemned the appointment and removal of educators for partisan or political reasons. They condemned members of their own profession who engaged in such tactics. While recognizing the "sovereignty" of Massachusetts, they added: "It is the disease itself, of which this case is one of the symptoms, that concerns the profession generally." The prospects for an American brand of fascism do not seem as bright as in 1935.

THE TVA DECISION

From some who imagined that "things of the spirit" are trivial and that only "practical matters" count, the long delayed decision in the Tennessee Valley case, on Feb. 17, received more consideration. In view of the adverse rulings in the railway pensions, NRA, farm moratorium and AAA cases, both foes and friends of the New Deal awaited the upshot of the TVA argument with great trepidation. When the decision came it appeared in a form that gave comfort to both sides. The Roosevelt administration could hail it as a victory, with a face somewhat awry, and the public utility interests could look forward to the possibility of a later victory on broader issues.

The TVA case raised two prime problems in law: (1) Have the plaintiffs in this case a standing in court that warrants the Supreme Court in taking jurisdiction and passing upon the constitutional question involved; and (2) if the plaintiffs have a stand-

ing in court, has the government of the United States the constitutional right to build Wilson Dam and enter into a contract with the Alabama Power Company for the sale of its surplus electric power and other auxiliary purposes?

On the first question the Supreme Court was split, 5 to 4. Chief Justice Hughes, who wrote the opinion, held that the plaintiffs were entitled to be heard, that the court should take jurisdiction over their case. On this point the Chief Justice was supported by Justices Sutherland, Van Devanter, Butler and McReynolds. From the majority decision Justices Brandeis, Stone, Roberts and Cardozo dissented. In the view of the minority, the plaintiffs had no standing in the court and giving them a standing merely opened the door to all kinds of collusive and irrelevant actions on constitutional grounds.

Having taken jurisdiction, instead of dismissing the case the court then took up the second issue, namely, the constitutional right of Congress to construct the Wilson Dam and to sell the electric energy there generated. Thus the question before the court was narrowed to its strictest possible terms. Other provisions of law and other activities connected with the Tennessee development were excluded from consideration. On the issue thus narrowed the Supreme Court upheld the constitutionality of the legislation and action immediately in controversy, by a vote of 8 to 1. Chief Justice Hughes wrote the opinion of the court, and Justice McReynolds dissented.

The general authority of the United States Government to develop its power resources on a national scale and sell power directly or through private companies was not proclaimed by the court. The basis was laid for such a conception of Federal authority, but no one could safely foretell the distinctions and discriminations that will be made as case after case takes it way upward to the high tribunal at Washington. Naturally the Roosevelt administration made the most of its victory, for it was a victory, no matter how viewed; but the Old Guard had not surrendered or retreated. It had been manoeuvred into a new position.

THE WORK OF CONGRESS

The only measure of national economic significance passed by Congress during the period under review was the substitute measure for AAA, declared invalid by the Supreme Court in January. It went to the President on Feb. 27 and was signed on March 1. In spirit and purpose it is a new Agricultural Adjustment Act. It is entitled, however, "an act to provide for the protection of land resources against soil erosion and for other purposes." It is to be administered, at least mainly, by the Soil Conservation Service. With full deference to constitutional proprieties, the new law is attached to every visible hook in the Constitution to prevent soil erosion and thereby "preserve natural resources, control floods, prevent impairment of reservoirs and maintain the navigability of rivers and harbors, protect public health," and so forth.

Having presented sound constitutional grounds and judicially accepted principles for action, the new law authorizes the Secretary of Agriculture to re-establish and maintain, as rapidly as he deems practicable in the general public interest, the ratio between the purchasing power of net income per person on farms and that of the income per person not on farms which prevailed from August, 1909,

to July, 1914, as determined from statistics available in the Department of Agriculture. The end is to be accomplished by soil-erosion crop adjustments to the "normal domestic human consumption" as determined by the Secretary from statistical records.

Ultimately, the purposes of the act are to be effected through State agencies according to Federal standards, in compliance with the Supreme Court's dictum that the regulation of agriculture is a purely State function under the Constitution. For this coöperation with States detailed provisions are made in the statute. But to give the States time in which to prepare for cooperation, the Secretary of Agriculture is to carry out the terms of the law until Jan. 1, 1938, except as to States that have come "under the roof" before that date.

In regard to tenants and share-croppers, so often forgotten under AAA, Congress has given the Secretary some specific instructions to look after their interests. Indeed, only the lonesome farm hand seems to be left out of the picture thus generously sketched. If the Republican party was officially opposed to this "regimentation," its opposition was not recorded en bloc by Republican members of Congress on final passage.

Not only is the new "soil erosion" act firmly anchored in constitutional provisions. The door is not opened to attack in the courts by parties whose interests may be adversely affected. It was the processors, on whom the taxes fell in the first instance under AAA, who led the fight in the courts on that measure and secured its overthrow. The new law appropriates money for execution, but refrains from specifying the interests on which the tax burden is to fall. Who then can go into the courts and claim that his property has been taken without due process or proper constitutional warrant under the soil erosion statute? Only, it would seem, the general taxpayer. And it would take a microscope to find in Supreme Court decisions the dicta and rulings required to give this "unknown soldier" grounds for invalidating the statute.

On the side of the administration pure and simple, President Roosevelt took significant steps late in February, perhaps in response to the attacks on his unbalanced budget. It was made known that a survey of emergency agencies had been completed with a view to coördination and consolidation. The loose ends were to be taken in. At a special conference with Congressional leaders on Feb. 27, the President exploded the hope for an adjournment without new taxes. He bluntly informed them that early in March he would submit a special message calling for new revenues to cover the expenses of the farm program, finance the bonus, and make up for the deficiency created by judicial invalidation of AAA. In confirmation a tax message was laid before Congress on March 3.

In this message the President said that the Supreme Court decision in the AAA case had cost the Treasury, for the fiscal years 1936 and 1937, a loss of $1,017,000,000 in revenues, and that the expenses of the government had been increased by the Bonus Act. Congress must, therefore, provide new annual revenue to the amount of $620,000,000. The forms of taxation President Roosevelt left to Congress, but he suggested a repeal of corporate taxes and the substitution of a high and graduated tax on the undistributed profits of corporations. He also suggested an effort to recover processing taxes returned to processors

and a temporary excise on processing. There was no "must" in his tax program, and Congress turned with dismay to the consideration of a hated subject—the imposition of new taxes.

CAMPAIGN PRELIMINARIES

Among politicians attention was centered on the coming Presidential campaign. In March it appeared that Congress would do nothing new to rock the boat. Tacticians on the Democratic side seemed to operate on the assumption that the password should be "watchful waiting." President Roosevelt will make no radical departures from the record already written, avoid sharp criticism of the Supreme Court, give some attention to economy and, as in the campaign of 1932, count on Republican errors to carry the election.

Confidence in the soundness of such a policy was strengthened by Democratic interpretation of the upshot of Alfred E. Smith's assault on the administration under the auspices of the Liberty League in January. According to this interpretation, Mr. Smith had merely started himself rapidly on the way to oblivion and had demonstrated the truth of President Roosevelt's oft-repeated contention that his real foe is the embattled "plutocracy" of the country. In the Democratic view, Mr. Smith had simply drawn the line and stepped over to the other side; he had helped, not hindered, President Roosevelt's chances of re-election. In any case, the great headquarters of the Democratic party came to the conclusion that the members of the Liberty League who cheered Mr. Smith's utterances had merely given vitality to the old slogan, "We love President Roosevelt for the enemies he has made."

As the Spring advanced there was no clarification in the Republican camp. Senator Borah, joined by Frank Gannett as candidate for Vice President, continued his battle for the nomination by entering the primaries in certain States and kept up his war on the Republicans under whose leadership, he declared, "the party has been brought to its present exigent condition." He renewed his warning to his party that denunciation of the Roosevelt administration was not enough; that new leaders and a constructive program were necessary to victory. But news reports from all sections seemed to show that none of the Republican candidates will enter the convention with an imposing list of pledged delegates. In fact, the Presidential primaries, since their adoption in many States years ago, have never pointed up the nomination of a candidate; and this much history may be repeated in June, 1936.

The strategy of old Republican leaders, against whom Senator Borah directed his fire, was enclosed in the historic formula of divide and rule. They gave attention to securing the choice of uninstructed delegates to the coming convention, and, where that was not feasible, to the selection of delegates committed to a favorite son with no chances of nomination. Beyond question the drift of their affections was toward Governor Alfred M. Landon of Kansas. To the right wing it was pointed out that he was "the strong and silent Coolidge of the West," who had balanced the State budget—in some way. To the left wing it was hinted that Mr. Landon had been a Theodore Roosevelt Progressive in 1912.

AMERICAN FOREIGN RELATIONS

As American leaders milled around and around, jockeying for position, the world setting in which the Amer-

ican drama is to be played altered for the worse, with repercussions in Washington. Senator Key Pittman, chairman of the Senate Foreign Relations Committee, in a widely circulated speech, made a vitriolic attack on Japan, accused her of intending to dominate the Orient, and warned her, in effect, that the United States will wage war to prevent this outcome. Again he asserted the old Mahan formula of sea power and declared that the government was bound to protect Americans engaged in profitmaking in any part of the world.

Point was given to Senator Pittman's speech by the general belief in Washington that he had the sanction and approval of President Roosevelt and the State Department, and by the advancement of appropriation bills raising the allowances for military and naval purposes to the highest level in peacetime history. Indications of the direction of things also appeared in the defeat of a stringent Neutrality Bill and the passage of a measure continuing, with slight modifications, the law of last August, expiring on Feb. 29, 1936.

The ominous shape of things to come became clearer late in February when Japanese militarists assassinated three leaders of a mildly liberal Cabinet and threatened the existence of any government committed to a policy of caution. On Feb. 27 the press reported that the French Chamber of Deputies had ratified the Soviet pact for mutual assistance and that Great Britain was preparing for war within four years.

Canada Under Liberal Rule

By J. BARTLET BREBNER

WHEN the new Canadian Parliament assembled on Feb. 6 the Liberals, secure in the possession of 179 out of 247 seats, found the Conservative leader, former Prime Minister R. B. Bennett, in fighting mood. He began by attacking the new Speaker, Pierre Casgrain, for dismissing 127 employes of Parliament and appointing 198 new ones before his election. Mr. Bennett held that Mr. Casgrain had thereby shown himself unfitted to act as neutral arbiter of the House of Commons. Actually, of course, Mr. Bennett was lamenting the fact that Canada, while preserving the British form, had long since accepted the American practice of making the Speakership a party office. A week later Prime Minister Mackenzie King had the matter consigned to the oblivion of the Committee on Privileges.

The speech from the Throne, which outlined the Ministry's program, promised governmental action on a number of matters: Ratification of the trade treaty with the United States, a national commission on unemployment, a royal commission to investigate the textile industry and the tariff protection it enjoys, an investigation of the reputed coal importation monopoly, constitutional revision (chiefly for reform of Dominion-Provincial financial relations), measures to establish partial government ownership as well as control of the Bank of Canada, greater Parliamentary control of the Cana-

dian Radio Commission because of its misuse during the election, and increased Parliamentary control of the Canadian National Railways. Party leaders were careful to explain that the Ministry did not believe in the government's actually going into business.

In the debates on the speech the American treaty loomed largest, with Mr. King admitting that he had not got all the concessions wanted by Mr. Bennett, chiefly because Mr. Bennett himself should have acted in 1934. The Conservative leader argued that the treaty was worse than nothing, because it was just the bargain he had rejected for Canada's sake, since "it gives everything we have and gets little in return."

The debate also emphasized the Liberals' avowed intention to lower the tariff. Mr. Bennett wanted Canada to use its right to raise the intermediate tariff, but all the satisfaction he got was a reply from the Minister of Finance that "there might be decreases as well as increases." The treaty seemed certain of prompt ratification, but tariff modification was expected to continue along bilateral lines with many countries, after inquiry regarding how much protection Canadian enterprises, such as oil refining, might have without victimizing consumers or checking the expansion of foreign trade.

While the trade figures for the first month of the Canadian-American treaty should not be regarded as conclusive, they confirmed the suggestion made in these pages when the treaty was signed that the United States drove a hard bargain. As compared with the previous year, January, 1936, showed increased Canadian imports of American agricultural products, books, magazines, electrical apparatus and machinery and increased American imports of Canadian whisky, lumber, animals and animal products, non-ferrous metals and fish.

The true relative position, however, was buried in statistics. Between January, 1935, and January, 1936, Canada's total exports increased by 21.9 per cent, but exports to the United States increased only 14.8 per cent. In the same period Canada's total imports increased by only 9 per cent, but imports from the United States increased 13.5 per cent. Canada's normal tendency is to buy more from than she sells to the United States, so that this arrangement, though obviously advantageous to the United States, might not of itself harm Canada. What has mattered in the past has been the size of Canada's favorable trade balance with other countries. During January, 1936, the total balance was favorable by $13,-827,000, or almost double that of January, 1935.

It was freely predicted in and out of Parliament that the proposal to allow Canadian tourists to take home $100 worth of goods might have to be withdrawn, because of the distribution of the Canadian people along the boundary, which could lead to the exemption from customs of a huge amount of goods. On the other hand, the second moot point of the agreement, entry of goods from abroad through American ports, seemed to be secure because of the proposed United States law that would impose a 10 per cent tax on imports into the United States through Canada, if Canada continued to discourage the use of American ports.

The problem of unemployment relief progressively revealed the government's determination to economize. Norman Rogers, Minister of Labor, typified Mr. King's insistence on true Cabinet government by having ulti-

mate responsibility for employment laid on the Labor Department. After visiting about fifty relief camps, Mr. Rogers discovered the truth of reports that the Canadian system had produced prison-like despair and rebelliousness. With a committee he agreed that work and modest wages must take the place of quasi-military shelter, sustenance and clothing. Mr. Rogers announced that the camps would be closed by July 1 and work found for 10,000 of the inmates at railway maintenance and such jobs.

Parliament, meanwhile, had listened to all manner of make-work plans, such as assistance for a back-to-the-land movement, slum clearance, housing, reforestation, complete State socialism, and social credit. The spate was checked when the government indicated in explicit terms that it did not believe in "pump-priming" or in spending Canada's way to prosperity, although the Ministers were unable to be so explicit about the means of taking up the slack of employment. They gave the impression that only public works that would produce direct or indirect revenue would be considered; for instance, harbor improvements, tourist roads and railway aid.

Canada's relation to League sanctions continued to be a lively subject. On Feb. 11 Mr. King defended the government's repudiation of the appeal for oil and other basic sanctions made by its representative, Dr. Walter Riddell. He said that Dr. Riddell had cabled for instructions and had then acted without waiting for their receipt. Mr. King hinted that if comprehensive sanctions had been applied, Europe and the world might now be at war.

Parliament was deeply aroused by a provocative speech against the League and Canada's share in sanctions made in Montreal on March 2 by the Italian Consul General in Canada, Luigi Petrucci, who had been indiscreet before. Mr. King told Parliament that the speech was "ill-judged, ill-advised and quite improper," and that if the Consul General had been a full-fledged plenipotentiary he would have been recalled. If the offense were repeated "the government will have no option but to make immediate representations to the country concerned."

THE WHEAT SITUATION

During February the operations of the Wheat Board appointed by the Liberals continued to result in declining prices and improved exports. The visible supply, which at the end of January was little more than 1,000,000 bushels less than in 1935, had dropped by the end of February to 13,500,000 bushels. It was increasingly clear that the Liberals intended to get out of the wheat business before the new crop year. Canadian wheat faced keen Australian competition in foreign markets, but France announced a cessation of exports. The Canadian Government was attempting to solace farmers for falling prices and for dislike of the grain-broker element in the membership of the new board by offering equalization payments on the Conservative government's dealings with them after 1930. In Parliament the Minister of Commerce yielded to Opposition criticism by promising a full investigation of the now famous sale of 23,000,000 bushels to speculators to protect them when Argentina fixed prices.

PROVINCIAL PROBLEMS

The Liberal Government of Ontario at the end of February proposed to remedy the unfavorable fiscal position of the Separate (Roman Catholic)

schools in the Province. The new Deputy Minister of Education, Dr. Duncan McArthur, after investigating the distribution of taxes levied for education, has been largely responsible for proposing this more equitable allotment of funds. Other educational reforms have been suggested, but in the fiscal matter the sectarian pots are already boiling over. Incidentally, Ontario pushed through its income tax law and abolished the municipal levy during February in time to entrust collection for 1935 to the Dominion Department of Internal Revenue. Alberta is following suit.

The hopes of those who believed that the Dominion-Provincial Conference of January had at last paved the way for amending the Canadian Constitution and providing for future amendment were considerably dimmed by the opposition of New Brunswick. This has been attributed to the desire of the present English-speaking majority there to consolidate its position before the French outnumber them, but it has its roots in pride that Provincial sovereignty has been continuous since 1784. New Brunswick, which has been something of a forgotten Province, now bids fair to cause considerable worry before a compromise is devised.

Toward Pan-American Peace

By HUBERT HERRING

A SPECIAL Pan-American Peace Conference was suggested by President Roosevelt in personal letters dispatched on Jan. 30 to the Presidents of the twenty Latin-American republics. Recent progress toward a settlement of the Chaco conflict made the moment opportune, it was intimated, for the American republics "to consider their joint responsibility and their common need" to prevent future hostilities and advance "the cause of permanent peace on this Western Continent." The parley, to assemble at Buenos Aires, would determine whether peaceful relations might best be safeguarded through prompt ratification of existing treaties, through possible amendment of such agreements or through "the creation by common accord of new instruments of peace additional to those already formulated." It was expected that the conference would be held during the coming Summer.

Some observers glimpsed more than devotion to peace behind the call for the congress. In an American campaign year, it was suggested, this move might serve to regain for the administration the pacifist support that had been alienated by the big armaments policy and the isolationist attitude toward Europe. The project was viewed, moreover, as indicating recognition by the Washington authorities of the importance of an "American peace" in the midst of present world unrest.

President Roosevelt had stressed in his annual message to Congress the contrast between the good feeling prevalent in the Western Hemisphere and the trends toward aggression and international strain evident in Europe and the Far East. With a drift

toward war manifest in both these latter areas, the security of the United States would be enhanced by the assurance of friendly relations with Latin America and the maintenance of peace in a region that supplies many important raw materials to this country.

Five treaties already link the American republics in the interest of peace. These are the Gondra conciliation accord of 1923 and the Inter-American Conciliation Convention of 1929, which together provide for temporary commissions to adjust controversies; the Inter-American Arbitration Treaty of 1929, which pledges compulsory arbitration of justiciable disputes; the Kellogg-Briand pact; and the Argentine anti-war pact of 1933, which condemns wars of aggression and provides for some degree of common action if the pact is violated.

No one of these treaties, however, has been ratified by all the American States, a factor that seriously impeded the efforts to end the Chaco war. Existing machinery, moreover, lacks definite provisions for consultation, for the application of sanctions and also any direct prohibition against resort to war or lesser acts of force. Suggestion has been made that the present commissions should be replaced by a permanent conciliation commission. No steps have yet been taken to substitute for unilateral intervention, now renounced by the Roosevelt administration, some provision for joint action by all the American States, in case the breakdown of law and order threatens chaos in one of the weaker countries.

Modification of the Monroe Doctrine, it has been suggested, may also figure in the agenda of the proposed conference. The doctrine has long been unpopular in Latin America, as implying a disguised protectorate on the part of the United States. Assistant Secretary of State Sumner Welles, in an address at Baltimore on Feb. 4, recognized the existence of "a general misconception of the Monroe Doctrine, due in no small part to the erroneous interpretation of that doctrine advanced by many of our citizens occupying high official positions." Were the doctrine transformed from a unilateral declaration, interpreted and backed by the United States alone, into a multilateral declaration, committing all the American countries to unified resistance against aggression from abroad, relations between the two Americas might be further improved.

The cordial response evoked in Latin America by President Roosevelt's suggestion testified to the success already attained by the good-neighbor policy. All the leading nations, including Argentina, Brazil, Chile, Peru and Mexico, promptly accepted the invitation. Argentina, the traditional rival of the United States for leadership in this hemisphere, speaking recently through its Foreign Minister, Dr. Carlos Saavedra Lamas, termed "President Roosevelt's policy of the 'good neighbor' the most wise, the most prudent and the most sagacious that the great Republic of the North has ever followed."

A survey of Latin-American editorial opinion revealed hopes that the conference might result in the following achievements: (1) A system of American security, to prevent future wars in the Western Hemisphere; (2) continental solidarity against aggression from any non-American power; (3) a unified neutrality policy to be followed by all American countries in the event of a European war; (4) pro-

motion of freer commercial exchange among the American nations, which would have as one result attainment of self-sufficiency for the New World, should Europe be riven by conflict.

Opposition, however, was expressed toward strengthening American peace machinery in any way that would weaken the ties of the Latin-American States with the League of Nations. Possibly in anticipation of this objection, President Roosevelt's letter had declared that the agreements that the conference might reach "would supplement and reinforce the efforts of the League of Nations and of all other existing or future peace agencies in seeking to prevent war."

PARAGUAYAN OVERTURN

Prospects for a peaceful adjustment of the Chaco dispute were endangered by a Paraguayan revolt on Feb. 17. This movement ousted President Eusebio Ayala and General José Félix Estigarribia, commander-in-chief of the army, and installed as Provisional President Colonel Rafael Franco, hero of the Chaco War. The revolt expressed the post-war unrest and the dissatisfaction of army veterans with the peace agreements accepted by the Ayala government. In the eyes of the rebels, these accords threatened to rob Paraguay of the fruits of victory. Army leaders ridiculed the Buenos Aires peace pact and attacked it as a "consummation of the continued criminal treason" of the Ayala administration.

Colonel Franco had been exiled from Paraguay on Feb. 6, accused of "Communist" plotting against the authorities. Not yet 40, his previous career has been checkered. In 1931 he headed an unsuccessful army revolt against the civil government, and three years earlier his unauthorized action in attacking the Bolivian Fort Vanguardia was reported to have served as the spark that set off the Chaco conflagration.

The new régime took office with a mandate from the armed forces and apparently planned to rule as a military dictatorship. It enjoyed some support from students and other left wing groups. The new President was to "convoke when opportune" a constitutional assembly, with authority for "reorganizing and modernizing the republic." Although Colonel Franco promised to observe the peace agreements already consummated, the revolt was expected to threaten the success of future negotiations.

As a result of the peace protocol signed by Bolivia and Paraguay on June 12, 1935, fighting ended, the armies were demobilized to a maximum of 5,000 on each side, and an agreement was later signed providing for exchange of war prisoners. The Buenos Aires peace conference, through whose efforts these advances were achieved, failed, however, to solve the boundary dispute, which had been the original cause of the conflict. As a result of the war Paraguay now holds virtually the entire Chaco. The conference adjourned on Feb. 14, in the expectation that Presidential elections in both Paraguay and Bolivia might so clear the political atmosphere that responsible negotiations on the territorial question would be possible.

The attitude of the Franco government, however, did not augur well for future agreement. The credentials of all Paraguayan delegates to the Buenos Aires conference were canceled. Franco, moreover, has publicly pledged restoration of Paraguay to the strong position it occupied under its nineteenth-century dictators.

The army success in Paraguay had repercussions in Bolivia, also the vic-

tim of post-war strains. In addition, this republic has been agitated by political struggles revolving around the Presidential elections scheduled for May 31. Military leaders have demanded larger influence in the government. Despite the reduction of the army to 5,000 men, the share of the military in the 1936 budget was increased to 30 per cent, as compared with 20 per cent reported for 1930.

NEW TREATY WITH PANAMA

The good-neighbor policy was further advanced by a new treaty with Panama, signed on March 2 in Washington. According to the State Department, this accord with its accompanying conventions was designed to eliminate "all causes of friction and all grounds of legitimate complaint on the part of Panama, but without sacrificing any rights deemed essential by this government for the efficient operation, maintenance, sanitation and protection of the canal." The text of the new instruments, which modify the 1903 convention, was not made public, pending submission to the respective Congresses of the two countries.

Dominant in this attempt to redefine the relations of Panama and the United States was the belief, it was declared, that defense of the canal could best be assured by a policy of joint responsibility, based on genuine mutual understanding and coöperation. On the one hand, the argument ran, Panama was fully as much concerned as the United States in safeguarding the canal; on the other hand, an attitude of sincere coöperation on the part of Panama would be more valuable for canal defense than formal treaty pledges exacted at the cost of resentment and hostility.

The new accord brought Panama gains both in international status and in material position. It enabled the isthmian republic to free itself, more effectively than ever before, from the charge that it is an American "protectorate." The United States renounced both the guarantee of Panama independence and the right of intervention. It surrendered the privilege to acquire land by eminent domain, and apparently accepted restriction of the right to expand the Canal Zone by taking over additional Panamanian territory. The agreement, however, left untouched the right of the United States to provide for the defense of the canal, and was reported to permit the movement, under certain contingencies, of American troops through the Republic of Panama. Whatever steps might be taken in this regard, however, were to be based on the consent and coöperation of Panama.

Foremost among the material gains to Panama was settlement of the dispute concerning the annual canal rental of $250,000. Since 1934, when the United States devalued the dollar, Panama has demanded payment in gold dollars, as stipulated in the 1903 convention. This contention was satisfied by the new agreement. Retroactively to 1934 the republic is to receive annually 430,000 balboas (Panama currency), a sum slightly in excess of $250,000 in former gold value.

The commercial activities of canal commissaries, whose competition has been protested by Panama merchants, were limited by the treaty. Panama also secured the right to construct a transisthmian road connecting its two principal cities—Colon and Panama—thus breaking a monopoly on land transport previously held by the

United States Government-owned Panama Railroad Company. The republic was given a corridor connecting the city of Colon with the rest of Panama, from which the Canal Zone had separated it; and the United States obtained a corresponding corridor linking the Madden Dam area with the zone. A convention sanctioned the transfer to Panama of two small naval radio stations.

POLITICS IN CENTRAL AMERICA

North of Panama, approaching elections in two Central American republics cast shadows over the political horizon. In Nicaragua, where the elections are to take place in November, interest centered around the Presidential candidacy of General Anastasio Somoza, commander of the National Guard. In Honduras, where polling is due in October, the desire of President Tiburcio Carías for a second term aroused discord.

The Nicaraguan Constitution barred the candidacy of Somoza on two counts: First, because of his relationship to President Sacasa (he is a nephew by marriage), and second, because of his military position as chief of the Guard. Somoza assumed control of this marine-trained corps following withdrawal of United States troops in January, 1933. He was in command of the Guard when a year later its members treacherously captured and executed General Sandino, although the former rebel had come to the capital on a safe-conduct from President Sacasa.

Somoza recently declared that his candidacy, which represented a program of national "renovation," had won widespread favor. In addition to support from former President Moncada and prominent elements in the Liberal party, he claimed the backing of General Emiliano Chamorro, a leader among the Conservatives. Among his adherents were also the "Blue Shirts," a group of Fascist-minded youth. Opposition to his candidacy had become active on the part both of younger Conservatives, organized in Acción Conservadora, and of rival Liberal candidates, who included Vice President Rodolfo Espinosa, Foreign Minister Leonardo Argüello and Senator Enoc Aguado. Espinosa forecast civil war if "General Somoza persists in a candidacy that is legally impossible." Somoza's rivals declared that members of the Guard were active agents in the political struggle, opposing other candidacies in order to favor their commander.

In an effort to surmount constitutional obstacles, Somoza and his partisans demanded revision of the country's basic law. But a stumblingblock to this course lay in a provision requiring that constitutional amendments be approved by a two-thirds majority in two successive Legislatures, two years to elapse between such steps. President Sacasa was apparently willing to override these requirements should such a move be supported by both major parties. The executive committee of the Conservatives had delayed making clear its position.

The Constitution of Honduras, which prohibits re-election, represented as great an inconvenience for President Carías as that of Nicaragua for General Somoza. Amendment of the Honduran charter, moreover, is almost as difficult as in Nicaragua. Despite this obstacle, the Congress authorized elections for a constitutional convention. In the elections, held on Jan. 26, 59 Nationalists—members of the President's party—were returned "without opposition." The convention was to assemble on March 8. Carías's

continuance in power was combated by a group in his own party as well as by the Liberals, but official pressure was brought to bear on opponents. Newspapers were forced to suspend and Congressmen were exiled. Two ex-Presidents, Vicente Mejía Colindres and Miguel Paz Barahona—who failed to sympathize with Carías's ambitions—suffered governmental displeasure. The former fled to Costa Rica; the latter resigned his post as Minister in Washington and was subsequently barred from Honduras for this protest.

Guatemala and Salvador have for some time been controlled by military dictatorships. In Guatemala, General Jorge Ubico extended his term to 1943 by a constitutional amendment approved on July 11, 1935. In Salvador, General Martínez secured re-election in 1934 by previously withdrawing from the Presidency for a period sufficient to satisfy constitutional requirements.

Costa Rica still maintains effective political democracy, in sharp contrast to tendencies in neighboring States. Presidential elections held on Feb. 9 resulted in the triumph of León Cortés, former Minister of Public Works. His choice was regarded as a victory for the more liberal elements in the country. The Communists failed to cast as large a vote as had been expected, but did elect two members to Congress.

Britain Looks to Her Arms

By RALPH THOMPSON

THERE can no longer be any doubt of the war-mindedness of the British Government. Peace ballots during 1935, counsels of moderation from prominent Laborites, fifteen years of arms-reduction efforts—all have been brushed aside for a naval and military program involving hundreds of millions of pounds. Parliament's major concern during the first month of the 1936 session was therefore with guns, bombs, gas, tanks, shells—finally summed up in a White Paper made public on March 3. Parliament's major concern during succeeding months promised to be of the same nature.

The White Paper disclosed in detail only the immediate aspects of a long-term program. But in the general statement of policy the motives of the government were exactly enough set forth. Conditions in the international field had "deteriorated." "We have really no alternative in the present state of the world but to review our defenses and provide the necessary means both for safeguarding ourselves against aggression and playing our part in the enforcement by common action of international obligations." "We have really no alternative"—that was exactly what the Germans were saying, and the French and the Italians and the Russians and the Japanese.

Where was the money for Britain's defense to be found? That seemed to worry only a few persons; at any rate, Parliament was not advised how much the scheme would cost. Supplementary estimates issued in mid-Feb-

ruary, indeed, showed that the army, navy and air force were spending during the current fiscal year some $40,000,000 more than had been allotted them in the budget, and Viscount Monsell, First Lord of the Admiralty, on March 4 asked for an extra $50,000,000 for the navy during 1936-37. But these figures were relatively small; besides, they had nothing at all to do with the White Paper program. Over and above the increasing "normal" expenditure would come the "special" costs. They might run in the space of several years to $2,000,000,000, or even more. The taxpayer would have to accept the bill before he got it.

To guarantee the taxpayer at least good management for his money, Rear Admiral Sir Murray Sueter brought forward in the Commons on Feb. 14 a measure for the creation of a Ministry of Defense, a new Cabinet portfolio to coordinate the direction of the existing defense agencies. But the government had a similar scheme up its sleeve and Sir Murray's bill was withdrawn. The White Paper indicated that a new deputy chairman of the Committee of Imperial Defense would be entrusted with the coordinating duties. Who this chairman would be was not known at this writing; Prime Minister Baldwin was obviously too busy with other tasks, but the choice seemed to lie between Neville Chamberlain, Chancellor of the Exchequer, and Sir Samuel Hoare, former Foreign Secretary.

Mr. Baldwin assured the Commons that in any case the rearmament would be carefully supervised, that all arms manufacturing contracts would contain a cost clause to obviate "excessive" profits. This was reassuring, but perhaps not altogether, for, when the government's intentions became known, armament and aircraft manufacturers' stocks leaped upward on the London market, and about the middle of February the shares of thirteen arms concerns were 207 per cent higher than they had been in 1935.

Other Ministers than Mr. Baldwin, moreover, were at pains to point out that a renewed arms race would help the British drive toward recovery. Among these spokesmen was Ramsay MacDonald, recently returned to the Commons, like his son Malcolm, after a successful by-election campaign. On March 2 the former Labor leader advised the House that care would be taken to locate new arms factories in the depressed areas, to the great benefit of the poverty-stricken inhabitants. One Scottish Laborite roared in reply, "Sit down, man; your effort is ghastly!"

Ghastly or not, such was the direction in which government policy was pointed—and on the heels of fresh evidence of the state of the distressed areas. On Feb. 13 the second report of Malcolm Stewart, commissioner for the distressed areas in England and Wales, was made public, together with that of Sir Arthur Rose, commissioner for similar districts in Scotland. Here, in the detailed accounts of efforts toward amelioration undertaken during the second half of 1935, was proof of the "miserable inertia" and "steadily accentuated hopelessness" (in the words of the London *Times*) that still overhung thousands upon thousands of British citizens. That loading high-explosive shells and tightening wing struts on bombing planes were remedies for the conditions was something many outside government circles could not believe.

More constructive were other measures placed before Parliament. On Feb. 6 the bill extending unemploy-

ment insurance to farm workers passed the second reading in the Commons. It grants benefits to men of about $3.50 per week, women $3.10, boys $1 and girls 85 cents, with weekly premiums ranging from 2 to 9 cents.

On Feb. 13 the bill raising the school-leaving age in England and Wales from 14 to 15 also passed its second reading in the Commons. The aims of this measure are manifold. With children held in school an extra year, the pressure for jobs is somewhat decreased at the same time that the general educational level of the country is raised. By the terms of the bill, however, the school-leaving age of 15 does not apply to those who can obtain "beneficial employment," and it is expected that the actual minimum limit will be raised not to 15, but to 14½.

Of a different nature were the Sugar Industry (Reorganization) Bill and the Cotton Spinning Industry Bill, both read a second time in the Commons early in February. The former extends the subsidy to the sugar beet industry, sets up a Sugar Commission and provides for the amalgamation into a single company of all firms manufacturing sugar from home-grown beets. The latter recognizes the depressed state of the Lancashire cotton industry and establishes a Spindles Board to improve conditions by scrapping redundant spinning machinery.

ANGLO-IRISH TRADE PACT

When full details of the Anglo-Irish trade pact mentioned in these pages last month were announced on Feb. 17 it was more evident than ever that President de Valera and the Free State Government had been vanquished in the economic war with Great Britain. The Irish leader, questioned in the Dail as the pact came up for parliamentary sanction, still insisted that the cause of the economic war—land annuities payments—would have to be adjudicated in a manner satisfactory to the Irish Government, and at the same time he admitted that the Free State could no longer press its claims by the method heretofore employed.

Under the new agreement, Ireland not only reduced the tariff on British coal and gave British collieries a monopoly of the market, but reserved for Great Britain one-third of its imports of cement and cut by 10 per cent the existing duties on electrical goods, machinery, various iron and steel products, cycles, cement and sugar. In exchange for these concessions, Great Britain reduced by 10 per cent the existing duties on Irish livestock, made various cuts in the tariffs on horses, sheep and live lambs; and permitted larger quantities of Irish bacon and ham and other meat products to enter. Duties are still very high—30 per cent ad valorem on butter, eggs and cream; more than $20 per head on live cattle over two years old; 40 per cent ad valorem on pork products; and so on —but they were even higher during 1935.

It would seem, therefore, that Fianna Fail's ambitious scheme of making the Free State economically independent of Great Britain has vanished into thin air. The new trade agreement is a confession of error; in accepting it Mr. de Valera accepted also the theory that most of his political opponents hold that Irish food products must be sold to Great Britain if the Free State is to remain solvent. How seriously the renewed imports from Great Britain of cement, sugar and manufactured goods will affect the home production of these

commodities, so carefully and with so much publicity nurtured during the past few years, remains to be seen. At any rate, the idea of making the Irish Free State a self-contained nation has been actually, if not formally, renounced.

SOUTH AFRICAN NATIVE BILLS

A joint session of the South African Assembly and the Senate convened on Feb. 13 to consider the passage of the vital Native Bills recommended by a Joint Select Committee about a year ago. While no verdict had been reported at this writing, it was clear that in substance, at least, they would be made law. On issues such as these South Africa is divided not between reactionary Dutch and liberal English opinion, but between Cape tradition and that of the Northern Hemisphere, and the Cape tradition of a White Man's Dominion naturally prevails.

It was not the Native Trust and Land Bill but the Native Representation Bill that caused whatever serious controversy there was. By this latter measure as originally drafted Bantu residents of the Cape Province were to lose their 80-year-old right of registering as voters, although existing voters were to retain their franchise. Bantu leaders of course protested, but to no avail; only when liberal-minded Europeans, including Sir James Rose-Innes, former Chief Justice, joined in expressing their disapproval was a change made.

Prime Minister Hertzog on Feb. 17 informed Parliament that the measure would be rewritten so as to give natives a right to register, but on a separate electoral roll. The Province would then be divided into three electoral divisions, each of which would return one member—a European—to represent the Bantu. In other words, while the Bantu would send elected spokesmen to the legislative chambers, their power would be strictly and effectively limited.

LABOR IN NEW ZEALAND

New Zealand's first Parliament under a Labor government opened early in March. From a preliminary statement made by Prime Minister Savage on Feb. 24 it appeared that the government would, among other things, move to restore and extend the facilities of the Arbitration Act, take over railway control from the Railways Board, increase pensions as a step toward a general superannuation system and shorten working hours. The first move toward a "guaranteed prices" policy had been taken on Feb. 10, when the Minister of Industries and Commerce announced a plan for the stabilization of the wheat, flour and bread industries.

Under this scheme, which will be controlled by a Wheat Committee made up of representatives of wheat growers, millers and bakers, all flour imports are to be embargoed. The domestic grower will receive a stated price for a year's crop and a basic price will be set for flour delivered at bakehouses. From these figures the cost of bread will be determined and, except for unavoidable variations in outlying districts, New Zealanders will be able to buy a loaf of standard weight at a fixed price. The government thus intends to guarantee the farmer fair prices for his wheat, to end price-cutting among processors and to safeguard the consumer.

A Drama of French Politics

By FRANCIS BROWN

THE French Chamber of Deputies on Feb. 27 gave at long last its approval to the Franco-Soviet pact of mutual assistance. This treaty, signed on May 2, 1935, by the French Foreign Minister and the Soviet Ambassador, had slumbered so quietly in the Quai d'Orsay that its friends wondered whether it would ever emerge for ratification. M. Laval had fixed a date for debate on the treaty, but on Jan. 22 events forced him out of office, and it was Feb. 11 before the Sarraut Ministry was ready to bring up the question.

Discussion of the treaty had only started when Parliament was thrown into confusion by one of those untoward happenings which so often upset French politics. Léon Blum, leader of the Socialist party, was driving home from the Chamber on Feb. 13 with Georges Monnet, a Socialist Deputy, and Mme. Monnet. As they turned into the Boulevard Saint-Germain they met the funeral procession of Jacques Bainville, the historian, which was accompanied by several hundred members of the Royalist organization, the Camelots du Roi. Suddenly the Royalists recognized M. Blum. They turned on him, and managed in the ensuing attack to injure him seriously.

When the Chamber met for its afternoon session that day the news of the assault on the respected Socialist leader stirred deep resentment. The President of the Chamber and the Premier made moving addresses in which they deplored the incident and promised that action would be taken to prevent similar outrages. Members of the Right, as well as of the Left, understood the dangers in the situation, but the Left was especially insistent that the government move against the Royalists.

The Cabinet, hurriedly summoned, ordered the immediate dissolution of the Royalist leagues, the Action Française and the Camelots du Roi. Charles Maurras, editor of the Royalist paper, *L'Action Française,* was charged with incitement to violence because of articles that he had written for the paper. The suddenness with which the government acted took the Royalists by surprise, and accounted perhaps for the lack of disorder that might otherwise have followed the affair on the boulevard.

The parties of the Left, as a warning to the Royalists, staged a great demonstration on Feb. 16 when more than 100,000 people marched in Paris from the Pantheon to the Place de la Nation. Red flags were carried along with the Tricolor, while the "Internationale" was sung even more often than the "Marsellaise." It was all good-natured and orderly, although deplored generally by the Nationalists and their press.

The whole subject of the government attitude toward public demonstrations was debated in the Chamber on Feb. 21. Premier Sarraut, of course, defended the Cabinet's policy. M. Franklin-Bouillon, who attacked the government, overstepped himself

when he accused the Premier of responsibility for the assassination of King Alexander and Foreign Minister Barthou at Marseilles, since at the time M. Sarraut was Minister of the Interior. An uproar followed this gibe and the Premier, so it was said afterward, was distinctly heard to use the unparliamentary expression, "dirty dog."

The Premier, who in the course of the debate had been called a Kerensky who would lead France into communism, told the Chamber that "the time is past when the working masses had only stomach reflexes. Now they have them from the heart." He defended liberty of thought and speech, and when it was all over his government emerged with a majority of 229, a larger vote than it received when it first went before the Chamber.

Tempers have worn thin, as a fight between two Deputies in the lobby of the Chamber that day further proved. Perhaps it was just as well that the Parliament was to adjourn on March 13, and that general elections will be held on April 26. Meanwhile, evidence continued to point to a Left victory, the latest straw in the wind being the election on Feb. 23 of a Communist Senator in a Paris district.

The Blum affair postponed debate on the Franco-Soviet pact until Feb. 18. (For an outline of the treaty see Professor Nevins's article on page 60.)

The Right, traditionally anti-German, showed a surprising tenderness for Reich sensibilities. There was talk of the need for Franco-German rapprochement, and insistence that any pact with the Soviet Union would make friendship across the Rhine impossible. Furthermore, should Germany attack France there was little reason to believe that the Soviet Union would be of much assistance.

From the other side of the Chamber came denial of all these charges. M. Flandin, making his first speech as Foreign Minister, asserted that the pact was within the framework of the League, that it gave further evidence of French devotion to the principles of collective security. He brushed aside the criticism that the treaty repudiated Locarno, since both documents forbid recourse to war except as a means of defense against aggression. If necessary, he suggested, the Franco-Soviet pact could be taken to the World Court for adjudication; certainly it could not be used as a German excuse for violating the Locarno treaty by remilitarizing the Rhineland. But Flandin had to eat his words when, on March 7, German troops suddenly marched into the Rhineland.

Other defenders of the agreement with the Soviet Union pictured the Russian military might. Such was the burden of Edouard Herriot's plea for ratification. He concluded his speech to the Chamber by declaring that the treaty "is strictly defensive, threatens nobody, accords with the League of Nations and Locarno and would aid in fighting against all wars and in preparing what every one desires—peace."

M. Herriot also had something to say about the Czarist debt held by about 2,000,000 Frenchmen. These bondholders have never allowed the French Government to forget how they feel about Soviet repudiation. They have insisted upon some sort of settlement yet, while an agreement probably could be negotiated, it has never been seriously attempted. Since the Franco-Soviet pact was accompanied by a proposal for commercial credits to the Soviet Union, there was

added reason for reviving the old debt question.

It was said that the Soviet Union was wholly solvent. Why then, shouted a Nationalist Deputy, were not the Czarist debts paid? This gave M. Herriot an opportunity not only to recall that as early as 1905 Russian liberals had issued a warning that the Russian debts would never be paid, but to ask the Chamber why France, a nation presumably solvent, did not pay her war debts to the United States.

Finally the treaty came to a vote. Ratification, despite all the heat, had never been in doubt and the vote of 353 to 164 surprised no one. The question of old debts and new credits was left for later discussion. On March 5 the treaty had still to be approved by the French Senate.

ECONOMIC WORRIES

Meanwhile, France continued its struggle with economic depression. There have been signs that an upturn has begun, for in the textile, leather and rubber trades improvement is marked. Imports in January were 93,000,000 francs greater than in December, 1935, the second consecutive month in which a rise has been apparent. Wholesale and retail prices are rising slightly. But none of this improvement was yet great enough to justify much optimism, especially when the sorry state of government finances was considered.

Already observers have noted that the French budget, supposedly in balance when passed last December, will run a deficit of at least 5,000,000,000 francs. There is difficulty in floating domestic loans, even at high interest rates, and yet the Treasury must raise within the year about 10,000,000,000 francs.

The Treasury consequently turned to London for aid, where, after several weeks of negotiation, a $200,000,000 credit at 3 per cent was arranged through the banking house of Lazard Frères. When this was announced on Feb. 17 it was said that the credit would run for three months with the privilege of being renewed for a maximum period of nine months. The money was needed, it was explained, to tide the Treasury over a lean period of tax collections. No bonds were to be sold in London, and arrangements were such that the transfer of sterling into francs would not disturb foreign exchange. Full details of the transaction were refused when Marcel Régnier, Finance Minister, appeared on Feb. 21 before the Finance Committee of the Chamber.

BELGIUM UNDER VAN ZEELAND

Belgium, as the van Zeeland Ministry's year drew to a close, found itself on the road to recovery. In March, 1935, the country was gripped by financial panic; foreign and domestic trade was stagnant, while unemployment was growing. Deflation, the official policy, threatened to grind the country to pieces. But on March 19, 1935, the Theunis Cabinet resigned, to be followed by that of Paul van Zeeland. A new period then opened.

The van Zeeland government immediately asked and received power to rule by decree for a year. Thereupon it moved to devalue the belga, reorganize the banking system, fund the public debt, inaugurate public works, reduce taxes and relieve debtors. The year has been full, but the task undertaken has been so well done that the Premier has announced that he will retire on April 1, twelve months after his work began.

Belgium's New Deal commenced with a 28 per cent devaluation of the

belga. Since then the coal, steel, textile and shipping industries have shown real improvement. Unemployment has been reduced by one-quarter. Retail prices have increased by about 10 per cent, but any speculative rise has been checked by the lowering of tariff rates on articles whose cost showed a tendency to increase too rapidly.

The government has negotiated trade agreements with several nations and has others pending. The commercial treaty with the Soviet Union has proved disappointing, but one with the United States has been most satisfactory. This treaty, signed before the van Zeeland Cabinet came to power, has been in part responsible for a 61 per cent increase in the value of Belgian trade with the United States.

After converting the internal debt, the Belgian Government has turned attention to its foreign issues. These carry 7 per cent interest and are to be replaced by 4 per cents. In the United States more than $96,000,000 of Belgian bonds have recently been repatriated, while loans originally floated in Great Britain, Sweden and the Netherlands are on the list to be refunded. The savings achieved through these conversion operations have helped to balance the national budget.

In Belgium, as in other countries, complete recovery depends upon world conditions. During the past year Belgians have become more and more apprehensive about the German military resurgence. This fear lay behind the recent conversations in Paris between Premier van Zeeland and the French Foreign Minister. It helps to explain the defense bill brought before Parliament in February.

The outcome of the Paris conversations was not made public, although it was understood that M. van Zeeland assured the French that Belgium would further strengthen her defenses. In this connection he could point to the pending bill that would increase the army by extending the term of service. The proposed law, however, has been threatened by the opposition of the anti-French Flemings as well as by the Socialists.

German Learning in Decline

By SIDNEY B. FAY

SINCE Hitler rose to power there can be no doubt that in Germany academic freedom, sound learning and true scholarship, judged by the usual educational standards of the Western world, have suffered grievously. During the past three years some 20 per cent of the best teachers and ablest scholars have been dismissed—with pensions. They included not only Jews but also many liberal professors who were thought to be lukewarm to Nazi doctrines. Those who still retained their positions were often torn between what they regarded as objective truth and what they understood to be in accord with Nazi ideology.

The path followed has differed widely. Some professors omitted the Hitler salute at the beginning of lectures and discoursed with the same freedom as in pre-Hitler days. Others,

conscious that they had dependents, held themselves in check. But the fact that they were always under scrutiny by Nazi students or the police had a disturbing effect on their serenity of mind, and it was difficult to do real scholarly work. Sudden and unexplained transfers from one university to another produced a further feeling of uncertainty and insecurity. As a consequence, the quality and quantity of the scholarly output in German scientific periodicals has shrunk to a shocking degree.

To end this evil the Nazis decreed that the total number of new students admitted annually should be cut by about a half to 15,000, not more than one-tenth of whom might be women. This reduced university enrollment in 1934-35 to 77,000. By fixing a maximum number for each university, the Nazis sought to reduce the attendance at the great city universities of Berlin, Munich, Hamburg and Cologne in favor of the smaller universities.

Selection depended partly on the report of the pupil's school principal and partly on the report of the local Nazi leader. Among the determining factors were not only the boy's academic school record but his record in the Hitler Youth and the half year of Labor Service, his qualities of leadership and especially his "attitude" toward Nazi doctrines. All students were also expected to belong to a Nazi organization known as the National Socialist Student Body.

Thus, by proper selection and pressure, it was attempted to have all university students good Nazis. This effort has been only partly successful. Although the older and more aristocratic student fraternities of Corps and Burschenschaften were forced into a formal and outward conformity, their traditional spirit of liberty, individual independence and desire for sound scholarship has by no means disappeared from the student body. This latter fact was deplored in a statement issued by Dr. Rust on Feb. 28 in which he declared that all professors and students must become Nazis and create a new National Socialist type of learning.

The course of study in the universities has also been greatly changed, in accordance with Nazi racial ideas. Formerly students had practically free choice in their electives, but now they must spend a considerable part of the first two years studying such courses as eugenics, racial hygiene, genetics, racial biology and the various political, economic and ethical questions of National Socialism. One now finds courses on "Christianity and National Socialism," "The Indo-Germanic Language as an Expression of Pre-Aryan Nationality" and such topics, in which one doubts if the spirit of objective impartiality prevails.

In view of these things the invitation sent to all the great universities of the world to attend the 550th anniversary of Heidelberg University met with varying responses. Oxford, Cambridge and Birmingham rejected the invitation, in accordance with a long letter of the Bishop of Durham to the London *Times*, in which he said: "It cannot be right that the universities of Great Britain, which we treasure as the very citadels of sound learning, because they are the vigilant guardians of intellectual freedom, should openly fraternize with the avowed and shameless enemies of both." Thereupon the Rector of Heidelberg University withdrew all invitations to the English institutions.

THE CHURCH CONFLICT

The Rev. Martin Niemoeller, the militant leader of the Evangelical

Confessional Church, declared recently before a congregation that packed his church in Berlin-Dahlem, that he as well as every self-respecting Christian in Germany stood squarely behind Pastor Kruse, who recently received a jail sentence because he had predicted the collapse of the Third Reich if National Socialism identified itself with the pagan myths of Dr. Alfred Rosenberg, the party's official philosopher. Dr. Niemoeller criticized his former co-workers who had accepted posts in the "neutral" Church Commissions established by Reichminister Kerrl to bring about the unification of all Evangelical churches in Germany. He admonished the Confessional Church to arm itself against disintegration in its own ranks now that persecutions and jail sentences were again being invoked. God and National Socialism, he asserted, were things apart, and any attempt to fuse them constituted heresy no less intolerable than every other intervention by the State in the church's affairs.

The same defiant attitude toward Dr. Kerrl and the Nazi authorities was assumed by Pastor Gerhard Jacobi a couple of weeks later before a crowded congregation in the huge auditorium of the Kaiser Wilhelm Church in the west end of Berlin. Fifty of Pastor Jacobi's brother preachers, wearing their clerical gowns, flanked his pulpit throughout the sermon and volunteered to act as his bodyguard.

Under the inspiration of these two stern and determined spirits representatives of the 9,000 pastors of the Confessional Church met in a National Synod at Bad Oeynhausen on Feb. 19. Bishops Meiser of Bavaria and Wurm of Wuerttemberg did not attend the Synod nor were their dioceses represented. The main question before the Synod was whether it would accept compromise with Dr. Kerrl and his Church Commissions or follow the more defiant lead of Dr. Niemoeller and his supporters. A considerable majority were in favor of the latter.

The Synod drew up a set of resolutions that left no possibility of compromise between the semi-Nazi system of church government represented by Dr. Kerrl and his Church Commissions on the one hand, and the independent church government set up by the Confessional Church under the determined leadership of Dr. Niemoeller on the other. The Synod also adopted a resolution supporting Cardinal Faulhaber's opposition to replacing confessional schools by the proposed wholly Nazi secular schools.

Dr. Goebbels attempted to give some support to Dr. Kerrl on Feb. 18 by issuing a ruling that any church periodical that commented unfavorably on any government policy must be regarded by the police and the Reich Cultural Chamber as subject to the Editors' Law, which provides for the expulsion of any editor from his position and the journalistic profession if he opposes the government's wishes. This ruling was intended to intimidate church editors who might comment on the stand of Dr. Niemoeller and the Bad Oeynhausen Synod. A week earlier the Nazi police suppressed in Duesseldorf the Roman Catholic periodical *Michael*, which had a circulation of 280,000.

On Feb. 11 the Secret Police struck a heavy blow at the Roman Catholic Youth organizations by arresting their secretary-general, Mgr. Hendrick Wolker, in Duesseldorf along with some thirty or forty of his co-workers, whom the government charged with being in illegal association with Communists. The arrests, however,

seem to have been made to break up more completely the Catholic Youth organizations.

GERMAN ECONOMIC CONDITIONS

The number of German unemployed increased only 12,000 during January, as compared with the record number of 524,000 last December and 369,000 in January, 1935. The total unemployed at the end of January, 1936, was thus 2,520,000, or 453,000 less than at the end of January, 1935. The good showing was attributed partly to the resumption of open-air work, which was made possible by the mild weather.

The foreign trade account for 1935 closed with an export surplus of 111,000,000 marks, as compared with an unfavorable import surplus of 285,000,000 in 1934. The surplus in January, 1936, was 18,200,000 marks, a great improvement when compared with a deficit of 104,900,000 in the corresponding month of 1935. Despite these apparently favorable figures, only about one-fifth of the export surplus actually brings any foreign exchange into the Reichsbank, whose gold holdings fell on Feb. 29 to 71,675,000 marks. This point, the lowest ever, represented a coverage of only 1.84 per cent, also the lowest on record.

Germany negotiated in February another "stand-still" agreement with foreign bankers who advanced money to Germany before 1931, but who have had to leave their money since the bank crash of that year in blocked accounts in Germany. In the sixth annual "stand-still" agreement of February, 1936, Germany agreed that the foreign banks might sell "travel marks" available for the use of tourists in paying railway fares and other transportation expenses in Germany. The new travel marks will enable foreign bankers to realize on a part of their frozen credits.

A shortage of food, especially of meat, again made itself felt in Germany in February, so that General von Blomberg on March 3 ordered that for two months the army and the police should be put on a fish diet two days a week. Dr. Frick, the Minister of Interior, ordered the whole population to eat fish at least one day in the week and "recommended" that it should be eaten twice a week. Some frozen meat, to be sure, has been imported from Argentina and elsewhere, but to pay for this Germany has to draw upon her scanty and diminishing supply of gold and foreign exchange.

From the point of view of the government, if not from that of the people, there has been an encouraging rise in tax revenues. During the first ten months of the fiscal year the total reached 8,050,000,000 marks, as compared with 6,846,000,000 for the corresponding period of the preceding year. As the budget has not been published it is impossible to tell how great may be the deficit arising from the expenditures on rearmament.

NAZIS IN SWITZERLAND

Following the assassination on Feb. 4 of Wilhelm Gustloff, a Nazi leader in Switzerland, the Swiss Federal Council voted unanimously on Feb. 18 that all central or regional German Nazi organizations in the country should be suppressed. The Swiss Justice and Police Departments were asked by the Federal Council to study the whole question of future toleration of any foreign political organizations in Switzerland. German Nazi and Italian Fascist groups are declared to have abused Swiss hospitality and neutrality for several years past.

Victory of the Spanish Left

By William E. Lingelbach

Elections for the Spanish Cortes on Feb. 16 resulted in an unexpected victory for Popular Action, the coalition of Leftist groups. Of the 473 seats, they secured 253, as compared with 175 for the parties of the Right and 50 for the Center. The outcome, which will not be seriously modified in the secondary elections, may be regarded as a fairly accurate expression of political opinion throughout the country. The franchise is liberal—men and women 23 and over vote—making an electorate of about 13,000,000. The issues were entirely domestic and were not complicated by pressing foreign problems; the leaders were well known and experienced.

The hope of the Right rested mainly on Catholic Popular Action, which had become a well-knit party organization under its young leader, Gil Robles; with them were the Conservatives, Agrarians and the two Monarchist groups. According to *El Debate*, the organ of Catholic Popular Action, the "issue was one of revolution against law and order, of respect for religion, property, the family and national unity, with socialism as the real enemy."

To this coalition of the Right the Left opposed a working alliance in "defense of the republic" led by the Socialist, Largo Caballero, former Minister of Labor, and by ex-Premier Manuel Azaña. Organized for the election as the Popular Front, it consisted of Left-wing Republicans, Socialists, Communists and Anarcho-Syndicalists. The last groups for the first time pooled their interests in a united front and adopted the ballot in place of direct action in accordance with the policy recommended a year ago by the Third International. Accused of aiming at revolution and a "Red dictatorship," they in turn stressed the dangers of clericalism, a Fascist dictatorship and civil war.

Party feeling was intense during the campaign and violence increased as the elections approached. Fortunately, President Zamora had succeeded in keeping the Right Center government in office to hold the balance even between the rival factions and afford the electorate—a majority of them women—the opportunity to register their votes without molestation. More than 50,000 civil guards, gendarmes and shock police were enlisted to maintain law and order. As a result, disorders and violence were kept down.

As the news of the victory of the Left became known, however, demonstrations and riots broke out in many places. On all sides rose the demand for the immediate release of political prisoners, while rumors of plans for a military coup d'état by the Right to establish a dictatorship became more and more insistent. Left extremists again attacked and pillaged churches, and the toll of the dead rose to twenty-seven. In the face of the danger, Premier Portela Valladares and his Cabinet resigned to enable President Zamora to call on his old friend, ex-Premier Manuel Azaña, to take over the government. Azaña

accepted and on Feb. 19 organized a Ministry of the Left.

In the meantime, the release of political prisoners and a general amnesty for all offenders was ordered. According to popular estimate nearly 30,000 were freed amid the rejoicing of their friends who cheered and fêted them as martyrs, while many monarchists and ultra-Conservatives prepared to leave the country. To restore order, a state of alarm was proclaimed and the civil guards and the military were mobilized, even armored cars going into service in Madrid and Barcelona. This show of strength by the government had a sobering effect; the rioting subsided, the red flag disappeared and the singing of the "Internationale" ceased. Amid it all, the people, so correspondents reported, suddenly turned to carnival week and, for the moment at least, buried political affairs in showers of confetti, dancing and merry-making.

The prospects for a harmonious or even pacific adjustment are none too bright, for the differences of opinion and policies touch the heart of the nation's economic and social life. Among the prisoners released under the orders of the new régime was the fiery old President of the Catalan Republic, Luis Companys. He had proclaimed Catalan independence in October, 1934, and been sentenced to thirty years in an Andalusian prison for treason. On Feb. 19 the Catalan Cortes, suspended since the October revolt, reassembled in the Parliament Building.

Fortunately the return to power of the Left brings the government once more into line with the Constitution and the policies laid down by the Constituent Cortes. On the other hand, the strength of the Right, and the manifest inability of the Left coalition to continue as a united bloc necessitates government by the Left Center, which must attract to itself support from both the Right and the Left. The Socialists have refused to cooperate, deciding to remain free to work for their Marxian program and a Soviet system for Spain.

Proclaimed in April, 1931, the Spanish Republic has in less than five years experienced three general elections, a bewildering succession of Ministries and a chronic state of alarm. Until December, 1933, the Left Republicans, leaning toward State socialism, were in control, with Azaña as Prime Minister. They drew up and adopted the Constitution, separated church and State, nationalized church property, established civil marriage, dissolved the Jesuits and subjected other religious orders to a law of associations. They set up a system of secular education, began the construction of over 9,000 public schools, developed an extensive program of public works, including a network of highways and roads, the electrification of railroads, extensive hydro-electric works, irrigation projects and a large housing program. They also inaugurated sweeping agrarian reforms, ordering the break-up of the estates of the grandees, the nationalization of the land and its distribution for cultivation in small holdings by individual peasants, or in larger acreage by cooperatives. Finally they provided a Federal system with wide autonomy for Catalonia on lines acceptable not only to the Catalans but also to the Basques and other aspirants for local and State rights.

These sweeping changes in a country of long-established customs and traditions roused deep resentment and powerful opposition. This manifested itself in the election for the Cortes in November, 1933, by a decided swing

to the Right, which reduced the Leftist majority in the Parliament to a small minority. Then for two years, until the dissolution of the Cortes in December, 1935, the Conservatives were in control, led mainly by Alejandro Lerroux, supported by Gil Robles and his Catholic Popular Action. Under the pressure of the conservative elements, the process of undoing the work of the Constituent Cortes began. The laws for agrarian reform were not enforced, steps were taken to rescind the laws in regard to the church and the religious orders, and preparations were made to subject the Constitution itself to drastic revision.

In the Autumn of 1934 a crisis was precipitated by the Socialists and extremists of the Left in the October revolt, which was suppressed only after much bloodshed and heavy loss of life and property. Thousands were arrested and thrown in prison and political and civil liberties were suppressed till the parties of the Left withdrew from the Cortes altogether. For reasons of his own, however, Gil Robles, although his party was the largest in the Cortes, would not assume the Premiership till the political scandals forced Lerroux to resign. Even then he hesitated and President Zamora, seizing the opportunity, dissolved the Cortes and kept Premier Portela in the saddle to guide the nation through the critical period of the elections. The victory of the Left brings the government again into the hands of the parties friendly to the Constitution, to the "democratic republic of all classes," and to an integral State "consistent with the autonomy of municipalities and regions."

Polish-German Friendship

By FREDERIC A. OGG

THE second anniversary of the Polish - German non - aggression pact, signed at the end of January, 1934, gave the government press of Warsaw and Berlin an opportunity to exchange compliments, but actual relations between the two countries were at the moment somewhat strained. On two recent occasions, Warsaw had felt compelled to make strong representations in Berlin. Certain public utterances by Dr. Hjalmar Schacht, Reich Minister of Economics, were construed as indicating that Germany still covets Upper Silesia, and this brought forth Polish protest. Then Poland demanded the transfer of 70,000,000 zlotys owed by German railroads for traffic through the Polish Corridor, but held up by the Reichsbank.

There was no disposition of Germany to evade the debt, but only a difference of opinion on the mode of payment. The Germans wanted to turn over only a small amount in cash, remitting the remainder in commodities. Warsaw insisted that the cash payment should amount to at least 50 per cent. With a view to applying pressure, the Polish Government on Feb. 7 ordered German passenger traffic through the Corridor reduced 40 per cent.

Later in the month matters took a turn for the better. During one of his

frequent hunting trips to Poland, General Hermann Goering, German Air Minister and ardent advocate of German-Polish cooperation, met Colonel Beck, the Polish Foreign Minister, on Feb. 23 and assured him that all misunderstandings between the two countries would be straightened out. Fresh proposals regarding the sum due for railway transit through the Corridor were to be made, and complaints of the Polish minority in Germany against Polish revisionist propaganda in the Reich were to be discussed in a friendly spirit. Colonel Beck was able to answer that the Poles saw no reason to alter their policy toward Germany and that they continued to regard the bilateral German-Polish agreement as one of the most important achievements of Polish diplomacy.

Racial and religious problems have commanded unusual attention. A recurring wave of anti-Semitism led Premier Koscialkowski on Feb. 17 to speak on the subject in very strong terms when introducing the budget in the Sejm. Ultimately, the government adopted emergency measures. Then a bill was introduced in the Sejm on Feb. 7 by Mme. Janina Prystor, wife of a former Premier, seeking to abolish after Jan. 1, 1937, the slaughtering of animals (other than pigs) for human consumption in accordance with the ancient Jewish ritual. It was alleged that needless cruelty is involved. At the present time the meat industry in Poland is virtually a Jewish monopoly, and the 30,000,000 non-Jews eat kosher products equally with the 3,500,000 Jews. Notwithstanding vigorous protest from the Jewish elements—voiced dramatically by a gathering of 1,800 rabbis in Warsaw on Feb. 13—the pending measure was expected to become law.

TRADE IN THE DANUBE AREA

As a result of the Austrian Chancellor's visit to Prague, Austro-Czechoslovak trade negotiations, which have been going on intermittently for years, were actively resumed on Feb. 4. Czechoslovakia has at present a substantial favorable trade balance, and for this reason not only Austria but economic circles outside the two countries are anxiously watching the outcome. A mutual agreement for preferential tariffs between an adherent of the so-called Roman bloc and a member of the Little Entente might be a signal for freer trade arrangements throughout the Danube area. Because of the increasing difficulty with which Austria carries on business with Italy, on account of the latter's shortage of funds, a better economic arrangement with Czechoslovakia would be gratifying. The Czechoslovaks would profit less.

RUMANIAN FASCISTS

During the first week of February three minor political organizations in Rumania drew together in a new anti-Semitic, Right-Wing Fascist party. One of the cooperating groups was the Christian League, led by Professor A. C. Cuza, supported largely by students, and recognized as the most violent anti-Jewish organization in the country. A second, the National Christian party, is led by a poet, Octavian Goga, who was once an energetic Police Minister. The third was a band of seceders from the National Peasant party led by ex-Premier Vaida-Voevod, who at one time planned to form his own super-patriotic party.

The new organization aims to drive Jews and Hungarians out of lucrative positions and from public life, to ex-

terminate all traces of socialism and to impose an authoritarian government on the country. In foreign affairs it opposes the League of Nations, condemns rapprochement with the Soviet Union, deplores any definite attachment to France and the Little Entente and favors close relations with Fascist Italy and Nazi Germany. It is charged that the new party got its funds from Berlin.

THE VELTCHEV SENTENCES

After a trial carried on in complete secrecy over a period of two months, a Bulgarian military court on Feb. 22 passed sentence on Colonel Damian Veltchev and others accused of instigating or participating in the unsuccessful plot of last October to assassinate King Boris and foment a nation-wide rebellion. Colonel Veltchev and a co-defendant, Major Cyril Stantsev, were sentenced to death; two other colonels were given ten years' imprisonment; seven captains, eight years, and fifteen defendants, mostly members of the Zveno group, were set at liberty.

The severity of the sentences shocked even Veltchev's enemies, who, however much they disliked him, generally conceded that the condemned man was a sincere patriot. The Court of Appeals, to which the cases were carried, has final jurisdiction, since the King's power of commutation was taken away in 1934. Opinion was widespread, however, that unless King Boris could find a way to save Veltchev from death, his personal prestige would suffer.

Pursuing its purpose to prevent activities on Bulgarian soil likely to offend neighboring States, the government at the end of January decreed the final dissolution of the central organization of legally established refugee unions—the Macedonian National Committee. Until May, 1934, the members of this organization were mostly adherents of the notorious Michailov, who is now in exile, but of late it has been composed chiefly of Protogerovists, rivals of the Michailovists.

At the middle of February foreign correspondents in Bulgaria were reported to be much disturbed over a law drafted at a recent session of the Cabinet Council under which they might be condemned to penal servitude if their dispatches happened to be construed by Bulgarian authorities as "untrue to facts or damaging to the country's interests." Naturally enough, this new attack on the foreign press was associated in journalistic circles with the recent expulsion of *The New York Times* correspondent, following his revelations concerning the Macedonian and other terrorist elements in the country and his outspoken description of the background of the Veltchev trial.

YUGOSLAV STALEMATE

After the assassination of King Alexander at Marseilles in October, 1934, three main courses of action were open to those who guide Yugoslavia's destinies. One was to hold strictly to the King's régime, a thing difficult to do without the King himself, especially since the sovereign's ultimate intentions were unknown. A second was to reverse the former lines of policy and, among other things, grant home rule to Croatia. A third was gradually to pass from dictatorship to constitutional government by progressively restoring political liberties and seeking to appease the Croats with cautious concessions in self-administration.

The present government of the Regency and Premier Stoyadinovitch is endeavoring to follow the third of

these courses. Pledged to "maintain national unity," it has nevertheless sought to mollify the country by reforming the laws regulating the press, electoral procedure and the right of assembly. It has granted broader toleration in Croatia, and the situation there is somewhat improved, even though critics complain that a genuine solution is no nearer than before.

But no decisive steps can be taken in any direction. The present Skupshtina, or Parliament, was elected under the dominating influence of former Premier Yeftitch, and is not only admittedly a poor mirror of national opinion but an annoyance to Premier Stoyadinovitch and his colleagues. Although accorded a vote of confidence on Feb. 14, they find themselves compelled to resort to all manner of ruses in order to obtain necessary support. At the same time, a new election might return a chamber even less tractable. The Croat issue is still fundamentally deadlocked; the Croat minority is strong, resolute, well organized and bent upon nothing less than autonomy such as was enjoyed under the Austro-Hungarian régime.

By judgment of a French court at Aix-en-Provence, rendered on Feb. 12, three Croats, members of the Ustachi secret society and charged with being accomplices of the assassin who killed King Alexander and Foreign Minister Barthou, will spend the rest of their lives on Devil's Island. Other alleged conspirators were condemned to life imprisonment, and still others who remain at liberty were sentenced to be guillotined if caught on French soil.

GREEK POLITICAL UNCERTAINTY

Throughout February King George's desire for the formation of an all-party Cabinet in Greece continued to be frustrated by personal bickerings and interparty skirmishes. The chief difficulty arose from the cleavage between Venizelists and anti-Venizelists, who are almost evenly balanced in the new Chamber. From Paris on Feb. 11 Venizelos proposed a "neutral" Cabinet, but the plan was vetoed by ex-Premier Tsaldaris, who indicated that he would not participate in any government containing Venizelists unless it should be guaranteed that Venizelos himself would remain out of the country. On Feb. 16 report had it that Tsaldaris had proposed to the Venizelist leader, Themistocles Sophoulis, an arrangement for a rotating Premiership for three months, with Tsaldaris as first incumbent and Sophoulis as Vice Premier. But neither this nor any other scheme proved acceptable, and meanwhile the stopgap Ministry of Constantine Demerdjis continued in office.

When, last Autumn, Great Britain unexpectedly postponed the promulgation of educational measures designed eventually to Anglicize the inhabitants of Cyprus, it was rumored that serious consideration was being given a proposal to cede the island to Greece. Of late the idea that such a cession is planned, provided King George retains the Greek throne, has gained further credence from the fact that, despite a campaign started in the British press and by several British leaders to fortify the island as a reply to Italy's arming in the Dodecanese, the government has shown but very slight interest in the matter.

Greek party leaders met on Feb. 28 to consider proposals for freeing 25,000,000 marks in Greek funds at present blocked in Germany. The total is well beyond Greece's capacity to liquidate by normal purchases from Germany. A suggestion was made to buy large stocks of arms from that country instead of from Great Britain.

Estonia Rejects Dictatorship

By RALPH THOMPSON

THE Estonian people on Feb. 23 went once more to the polls to decide how their country should be governed. For nearly two years—since March, 1934—they had been living under a species of martial law set up by the three-man dictatorship of President Paets, Minister of the Interior Eenpalu and General Laidoner. Now this same triumvirate had given them an opportunity to choose by plebiscite between continued dictatorship and a return to parliamentary government.

Figures made public on Feb. 26 showed that Estonia's choice was democracy. Of the total number of 770,000 electors, 472,000 voted for constitutional rule and 149,000 for dictatorship. Thus President Paets and his colleagues relieved themselves, by an instrument of their own creation, of the extraordinary powers they had assumed "for the good of the country" two years before. It was expected that a national assembly would be summoned to frame a new Constitution.

Have European politics ever run a stranger course than this? In 1933 the Estonian people approved a new Constitution that concentrated the power of the State in the hands of one man, the President; in other words, the country was well on the way to a mild form of dictatorship. This Constitution went into effect on Jan. 24, 1934. But the Presidential and legislative elections that should have followed were never held; early during his term as Provisional President Mr. Paets decided that Fascists led by a national hero, General Larka, had so terrorized the people that an honest ballot was impossible. He therefore proclaimed martial law. At the time it seemed that the Paets faction, despite professions of love for democracy, had simply seized the power that it feared might not be accorded it by democratic process, and the charges against General Larka's "Fascists" were not taken seriously abroad.

Subsequent events forced a revision of these opinions. General Larka's followers became openly and unashamedly Nazi in sympathy and made several attempts to gain control of the State by force of arms, the most recent putsch occurring in December, 1935. With the suppression of this last uprising the Estonian dictatorship apparently felt that the chief threat to national stability had been removed, for almost immediately afterward the February plebiscite was promised.

PEACE IN MEMEL

In the past few months relatively little has been heard from Memel, where for so long Germans and Lithuanians were in open conflict. The fact seems to be that, for the time being at least, Lithuania has accepted her loss of ascendancy in the territory and Germany is content with whatever increased prestige is hers. When the Memel Diet met on Jan. 30 for the first session of 1936 it was rather among members of the German majority party than between Germans and Lithuanians that friction occurred. On that day M. Baldszus, the

conciliatory President of the Directory, was relieved of his secondary post as President of the Diet by M. Diomons, who, while also a member of the German majority, is believed to be less sympathetic than his predecessor to the Lithuanian Deputies.

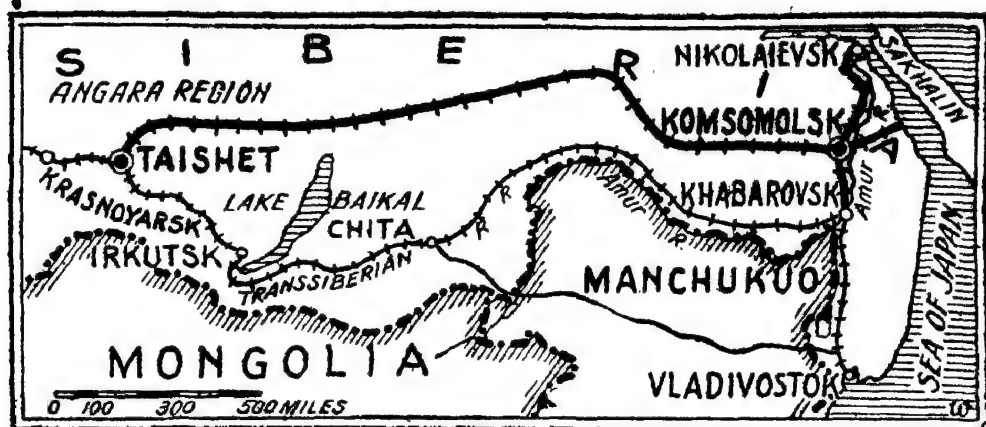
The larger question of relations between the Lithuanian Republic and the German Reich also approached settlement. On Feb. 16, the anniversary of the proclamation of Lithuanian independence, President Smetona remitted or reduced the sentences of over 300 prisoners, including three who had been jailed for "treasonable" activities in Memel. About a week earlier the German Government announced that it was willing to discuss with Lithuania an extension of trade across the border. Not many months ago, it will be remembered, Chancellor Hitler denounced Lithuania in no uncertain terms, and this latest move from Berlin indicates a surprising about-face.

Soviet Railways in the Far East

By EDGAR S. FURNISS

If the Soviet Union fights a war in the Far East transportation will be most important. Only a few years ago lines of communication there were so inadequate that it was doubtful whether the frontiers could be defended. Although in a general way it has been known that strenuous efforts were being made to overcome this weakness, only recently has there been information regarding their success. Meanwhile tension in the Far East has increased and transportation has taken on still greater military importance.

It is now apparent that enough has already been accomplished to affect materially the military position in the Far East. When war first threatened, Vladivostok and the Maritime Province were served by two lines of railway—the Trans-Siberian, which ran to Khabarovsk and then south to the seaport, and the Chinese Eastern, which crossed Manchuria. The sale of the Chinese Eastern to Manchukuo left these outposts of the Soviet Union dependent on a single railroad parallel with the Manchukuoan border on the north and east and within easy striking distance of a hostile army. At the time it was single-tracked beyond its junction with the Chinese Eastern.

With such facilities the Soviet Union would have found it virtually impossible to defend Vladivostok and the hinterland or even to protect the 1,000 miles of Manchukuoan border. Immediately after the sale of the Chinese Eastern, Russia began to double-track this section of the Trans-Siberian, and by the end of 1935 the first 1,000 miles of new line was completed and in regular service. At the present time the new track has been carried through to Khabarovsk and is almost completed between that city and Vladivostok. Work has begun on another railway connecting Khabarovsk with Soviet Harbor to the north, a recognition of the strategic weakness of Vladivostok, since Soviet Harbor (formerly Imperial Harbor) offers a more secure outlet to the sea and a safer naval base against Japan. The

Soviet Russia's new Siberian railways

new branch railroad will before long bring this seaport into practical use.

Having strengthened existing lines of communication, the Soviet Government is now engaged on another project of great strategic importance. An entirely new railroad is under construction from Taishet in the Lake Baikal region, where it will join the Trans-Siberian, to Komsomolsk north of Khabarovsk on the Soviet Harbor line. This is a distance of about 2,000 miles. The road passes to the north of Lake Baikal and strikes eastward about 300 miles north of the Trans-Siberian; 1,000 miles from its eastern terminus it swings south to pass through the rich iron region west of Komsomolsk, but at no point on its route does the new road approach within 100 miles of the Trans-Siberian. When completed this Baikal-Amur-Magister line—called BAM by the Russians—will give European Russia an entirely independent link with the Eastern territories and one secured from attack. February dispatches described the construction as well advanced and proceeding with remarkable speed.

The new Trans-Siberian line was constructed almost wholly by convict labor working under Ogpu supervision. An official report made upon the completion of this project spoke of the construction camps as vast reformatories where enemies of the State were redeemed "by the great pathos of their task." What this means was made clear in sections of the same report describing the conditions under which these unfortunate people lived and worked.

"The workers became veritable heroes, often working up to their waists in icy water. Miracles of courage and self-sacrifice were performed." The fact that the prisoners were given food in proportion to the work accomplished may have had something to do with this devotion to duty. How many perished is not revealed. But the work proceeded at top speed both day and night in all weathers, and Russia claims a world record in railroad building, having completed 1,000 miles of track in two years. The same methods are being used on the new Baikal-Amur-Magister line. It is reported that in these construction camps are 100,000 workers, for the most part people who have been transported from European Russia. Some of the work gangs consist entirely of women, and others, though

made up of men, are headed by women. If the prisoners survive their ordeal, they may win freedom and reinstatement as citizens.

Soviet-Japanese relations in the meantime have grown worse. The Soviet Government has now acknowledged an official interest in the Mongolian Republic by proposing a joint Russian-Japanese commission to investigate the disturbances on the border between Mongolia and Manchukuo. That a close affiliation existed between the Soviet Union and the Mongolian Republic has been a matter of common knowledge, but until now this relationship has been of an unofficial character not necessarily involving Soviet participation in war. The outcome of the Soviet Union's attempts to find a solution through joint conference has not been hopeful.

Japan countered this latest suggestion by proposing that the joint commission be given the additional task of redefining the Siberian-Manchukuoan frontiers. On Feb. 20 the Soviet Government rejected this invitation as an attempt at "blackmail." At the moment, therefore, all attempts to create machinery for joint agreement have broken down.

Other developments have contributed to the danger of open rupture. Continued sporadic conflict along the border is an immediate source of danger. Soviet opinion, furthermore, interpreted the military revolt in Tokyo at the end of February as contributing to the inevitability of war. The Japanese statesmen assassinated in these disorders were liberal leaders supporting a program of moderation on the Asiatic mainland. Whatever the immediate outcome of the abortive coup d'état, the Soviet leaders believe that the military faction will control foreign policy, and that this means war in Asia, for which plans are being laid accordingly.

FRANCO-SOVIET RELATIONS

Although remote geographically from the danger zone in Asia, France holds an important place in the Soviet Union's strategy against Japan. The vote of the French Chamber of Deputies on Feb. 27 to ratify the five-year pact of mutual assistance with the Soviet Union gave Moscow a feeling of increased security. The significance of this treaty in Soviet foreign relations, it need scarcely be explained, lies in its protection against attack by Germany and Poland. Russia has so strengthened her military defenses in the west that there is no great fear of defeat in that quarter; but the danger of war in Europe divides the fighting forces and thus limits Russian power in the Far East.

If the Franco-Soviet pact should give real security in the west the Soviets could confront Japan with increased confidence. It is apparent, however, that the Soviet Government places less reliance now in the effectiveness of the French pact than when the draft treaty was initialed last May. It is not a military alliance operating automatically to bring France to Russia's assistance in case of attack. On the contrary, the pact was carefully drawn by Laval to make it dependent for its operation on the Covenant of the League of Nations; and although it provides assistance in the case of "unprovoked aggression" this term is subject to interpretation through the machinery of the League. Russia's experience as a member of the League during the Italo-Ethiopian controversy has made her skeptical in these matters. The

French pact, therefore, is regarded as incomplete and unreliable until it is extended to include Germany and Poland, an extension for which provision is made in its terms.

SOVIET ECONOMIC ADVANCE

The summary of Soviet railway building has been presented as chiefly of military significance. Yet improved transportation is part of an economic plan in which great things have been accomplished and even more remarkable things are under way. Aside from railway construction and rehabilitation, the government is covering the entire country with a system of inland waterways.

A ship canal uniting the Baltic with the White Sea was completed over a year ago by the use of convict labor, a part of which has now been transferred to the Siberian construction camps. Work begun in 1932 on the Moscow-Volga canal will be finished next year. This is an inland waterway, eighty miles long, with a draft of eighteen feet and a breadth of ninety-seven feet, which when completed will make Moscow virtually a seaport. Another undertaking of similar character, already well advanced, will join the Don and the Volga Rivers near Stalingrad, and give the rich inland country of the Volga direct access to the Black Sea. Work has already begun on a canal to link the Black and Caspian Seas.

This general program includes a rapid development of marine transportation. In foreign countries Soviet ship-building has been thought of chiefly in terms of war vessels. This branch of naval construction has been progressing rapidly, as indicated by the increasing numbers of submarines shipped overland to be assembled and launched in Far Eastern waters. The Soviet authorities assert that with a little more time they will be in position to repel naval attack at all points on their Asiatic shore-line.

Less news value attaches to the progress of the merchant marine, although this has been one of the outstanding achievements of the Five-Year Plan. By the end of 1935 the Soviet merchant marine totaled 1,350,000 tons, the largest in Russian history. Last year 40 per cent of the Soviet exports were carried under the Soviet flag, while during the present year 60 per cent of the estimated traffic will be handled by Soviet ships.

The relative adequacy of the Soviet merchant marine to the country's need is increased by the decline in foreign trade. The complete figures for 1935 place total Soviet imports and exports at $509,000,000, as compared with $566,000,000 in 1934. Great Britain took the lead both as buyer and seller, with imports and exports of $75,000,000 and $38,000,000 respectively. Germany was second in imports with a total of $58,000,000, and the United States third with a total of $23,000,000. As an exporter to Russia, however, America surpassed Germany, for American goods were valued $8,000,000 more than German. American sales to Russia during the calender year fell short by $4,000,000 of the amount guaranteed for a twelvemonth period by the Bullitt-Litvinov agreement of last July, but current exports will bring the total above this amount before the period is ended. Analysis of the Soviet trade figures shows that the United States alone of the principal trading nations maintains a substantial credit balance in her trade account with the Union.

The decline of Soviet foreign trade has been going on for some time. This is no sign of weakness, for an escape

from dependence on foreign supplies has been an essential element of the Soviet economic plan. The heavy imports of former years merely indicated the productive incapacity of the country, particularly in the heavy metal industries.

The volume of exports, usually viewed as a measure of a country's opulence, has been in the case of Russia merely a sign of the privation of her own people. Goods in great demand at home were exported to pay for indispensable imports. A decline merely goes to show that larger amounts of the nation's products are now being consumed at home, an inference that finds support in an analysis of the kinds of goods sold abroad, for the decline is most marked in consumers' goods. These figures show, too, how ill-founded are the fears often expressed abroad that success of the Soviet program will swamp the world with cheap Russian goods.

Finally, the Soviet foreign trade balance was favorable in 1935 for the third year in succession, the total export surplus for the three-year period amounting to $422,000,000. There is a tendency in all countries to exaggerate the importance of a favorable trade balance, but the international position of Russia gives it in this case real significance. The Soviet Union has no foreign investments and very few of the normal invisible items to correct an adverse balance of payments. Soviet foreign credit is meager, and the Union found itself a few years ago heavily indebted on current account. Moreover, a credit balance in the foreign account, taken in conjunction with the Russian output of gold, is vital to the program of monetary stabilization. In these circumstances the maintenance of an export surplus is a hopeful element in the general economic situation of the Soviet Union.

Behind the Syrian Riots

By ROBERT L. BAKER

NOT since the great Druse revolt of 1925, when the French shelled Damascus for forty-eight hours, were conditions in Syria so chaotic as during the latter half of January and the whole of February. Nationalist rioting in Damascus, Aleppo, Beirut, Homs, Hama and other places resulted in a total of twenty-six dead, hundreds wounded and injured, hundreds thrown into prisons and considerable damage to property. A general strike, which reached its forty-second day on Feb. 29, kept business at a standstill.

The efforts of the French mandatory authorities to crush the uprising by strong methods failed utterly. Newspapers were suppressed, Damascus University and the schools were closed, nationalist leaders were exiled and the streets of Damascus were patrolled by Senegalese troops. But even martial law did not prevent demonstrations, and a government order that merchants reopen their shops within twenty-four hours under penalty of a fine and enforced closure for three months was almost unanimously disobeyed.

On the surface the disorders have appeared to be almost wholly political in origin. The demand for independence, backed by violence, is, of course, not new in Syria. Its revival in mid-January seems to have been caused partly by the success of the anti-British campaign in Egypt last Autumn, and partly by general indignation over the suppression of the little Syrian Nationalist party and the arrest and prosecution of its leaders —all on somewhat arbitrary grounds. Animosity against the French, always present but in varying degrees, has flared up before.

These political factors undoubtedly contributed to the outbreak and they have since become the driving force behind the movement. But more important at the outset was the widespread disaffection of long standing with the economic policies imposed on the mandate by the French, to which the Syrians, Moslem and Christian alike, attribute the acute depression in the country.

Prominent Syrians bitterly complain that the French have done nothing during the past sixteen years to develop Syria's resources either agriculturally or industrially and have hindered economic progress when it showed signs of restricting the market for French exports. Budgets too large for Syria, high tariffs on all but French goods and discrimination against local industries are listed as the reasons for the poverty of Syria.

Two examples of the latter are cited. Syrian business men, who had become wealthy in the United States, invested several hundred thousand dollars in a tannery which was to provide a livelihood for 100 families. They were encouraged to build their plant because the duty on imported leather was 40 per cent, allowing a local manufacturer to compete on favorable terms. Soon after the tannery began operation complaints by French leather exporters led the authorities to reduce the duty from 40 per cent to 11 per cent, thus ruining the Syrian enterprise.

In another case, the Syrians allege that the French authorities insisted that cement used in government building contracts be imported from France, although a Syrian factory was producing as fine a cement as could be found in the world. Such contracts were of course paid for out of Syrian taxes.

Still another complaint frequently heard from Syrian merchants relates to the French "cooperatives." These stores, which are for the exclusive use of Frenchmen in Syria, import all their wares, "from pins to automobiles" from France duty free. It is charged that although hundreds of French officials receive unusually high salaries out of the revenue from Syrian taxes and customs duties, they buy from Syrians only fresh vegetables.

One of the immediate causes of the uprising was economic. It was the refusal of the Belgian company that holds the electric power and streetcar concession in Damascus to lower its rates and fares, which the Syrians charged were exorbitant. Fakkri Bey el Baroudi, a respected Syrian leader, organized a boycott. The French authorities made no effort to arbitrate the dispute but immediately took the company's part and exiled Fakkri Bey. This incident occurred at about the same time that the Syrian Nationalist leaders were arrested. Once the demonstrations had begun, nationalist leaders skilfully diverted the attention of the populace from their economic grievances to the old objective of complete independence.

A surprising feature of the movement was the activity of the women nationalists. They held mass meetings, joined in the rioting and on Feb. 15 induced Ali Bey el Abed, President of the Syrian Republic, to resign.

A few days later, High Commissioner Count Henri de Martel decided to abandon the policy of force and selected a committee of seven leading non-nationalists to arbitrate the differences between the government and the nationalists. It appears, however, that the committee was expected to be subservient and approve the High Commissioner's own plan for a settlement. This they refused to do, and on Feb. 23, de Martel surrendered, at least as far as it was in his power to do so. He ousted the unpopular Premier, Sheikh Taj-ed-Din, and his Cabinet, and in his place appointed Attal Ayoubi, who at once formed a nationalist Ministry. He agreed to free all demonstrators who had been arrested but not tried, to reconsider the cases of those who had already been sentenced and to permit the return of the exiled Syrian leaders as soon as quiet was restored.

Next day, Feb. 24, the High Commissioner informed the new Cabinet that France was ready to negotiate a treaty with Syria, similar to that by which Great Britain recognized Iraq's independence, and to propose Syria for membership in the League of Nations.

Whether the new treaty will meet with any more success than that of November, 1933, which the nationalists refused to accept, remains to be seen. Count de Martel was expected to leave for France late in March for a conference with colonial officials. The extent of the concessions to be offered in the new treaty would doubtless be decided then.

THE EGYPTIAN DEBT

After more than three years of postponements, the Court of Appeals for the Mixed Tribunals in Egypt on Feb. 15 gave judgment in favor of the Egyptian Government's contention that it can redeem public debt bonds and coupons with Egyptian paper currency. This ruling reversed the decision of the Mixed Tribunal of Cairo in January, 1933, that payment should be made in gold on the ground that the lower court was incompetent to adjudicate the matter. By inference, the competence of the Court of Appeals is now open to suspicion, and it is entirely possible that the French bondholders will appeal to the Permanent Court of International Justice at The Hague.

TURKISH PLOTTERS ACQUITTED

Turkey may well be proud of the even-handed justice of the Ankara Criminal Court in acquitting on Feb 17 for insufficient evidence eight alleged plotters against the life of President Mustafa Ataturk. Mustafa Ataturk is a dictator, and in most countries ruled by dictators to be accused of plotting against the life of the head of the State is tantamount to conviction and death, whatever the evidence. The accused is lucky if he is not summarily dispatched without trial. Only fifteen years ago foreigners in Turkey enjoyed the right to be tried in their consular courts for wrongdoings because Turkish justice was supposed not to guarantee fair trial. Under the republic, however, a modification of the Swiss civil code was adopted and verdicts are based on an equitable study of evidence as is the case in most of Western Europe

Shall the Army Rule Japan?

By GROVER CLARK

AN election that went strongly against militarist domination of the Japanese Government, and a coup in the heart of Tokyo that was led by members of the Fascist "young officers" group in the army, brought Japan, at the end of February, to a sharp turning-point both in her domestic affairs and in her relations with the continent of Asia. The episode was another chapter in the long struggle between civilians and soldiers for control of the government. But the Emperor has thrown the great weight of his influence definitely on the side of the civilians, and the most aggressively expansionist members of the army high command have been retired.

The crisis was precipitated on Feb. 26 by a sudden military coup in the center of Tokyo and the assassination of three of the country's leading liberals in official circles. But this test of strength between the liberals and the reactionaries really began with the election on Feb. 20.

The election for the Diet on Feb. 20 gave the Japanese people their first chance in exactly four years to express themselves about the costly campaign of expansion in which the army and the navy have been engaged. The 1932 election, held in the first flush of excitement over the drive into Manchuria, gave the Seiyukai a majority, but that party had no definite program and appeared afraid to take any definite stand. The successive Cabinets have been "national" rather than "party," and have been largely dominated by the military. Liberal ministers found that such support as they could get came from the Minseito, the minority party, rather than from the Seiyukai.

In this year's campaign the issue of civilian or military control of the government was clear. The Seiyukai was identified with a continuation of the conditions of the past four years, while the Minseito came out against Fascist tendencies, urging that "constitutional government be established on a firm basis." The Social Masses party, frankly proletarian, called for "a system of parliamentary government based on the working classes."

The marked swing against militarism in the election surprised even the most experienced observers. The Seiyukai lost 68 seats, leaving it with 174 out of the 466 members of the Diet; the Minseito gained 78, giving it 205 members. Two lesser groups, which have Fascist inclinations but are pledged to support the government, dropped 10 seats. Three distinguished retired generals running as independents were defeated.

More significant than these changes was the heavy vote for the proletarian and independent candidates. The proletarians increased their membership from 3 in the old Diet to 23 in the new. The number of independents increased from 8 to 29. The popular vote for the proletarians was 650,000, more than twice the largest vote ever before cast for them.

The balance of power in the new Diet was thus thrown into the hands

of the proletarians and the independents. With their votes, the Minseito have a clear majority even if the Fascist minorites vote with the Seiyukai; without these votes the Minseito are the largest group in the Diet but not a majority.

Through the ballot box the Japanese people spoke their minds clearly against military domination of the government and against the whole program of expansion and expense imposed on the country by the army and navy. The result was a direct and clear-cut challenge to the military, especially to the Fascist "younger officers" faction in the army.

The challenge was taken up in Tokyo three days after the election returns were announced. On Feb. 26, shortly before dawn, 1,000 men from the Third Infantry Regiment of the First Division, led by their officers, marched from their barracks and occupied police headquarters, the Home Office and other government buildings. Small detachments, sent to assassinate the leading liberal statesmen, killed three of the seven on their list, and wounded two others.

The three men assassinated were Korekiyo Takahashi, Finance Minister; Viscount Makoto Saito, ex-Premier and Lord Keeper of the Privy Seal, and General Jotaro Watanabe, Inspector General of Military Training. Prince Saionji, the last of the Elder Statesmen, warned by telephone, escaped before the would-be assassins arrived. Viscount Nobuaki Makino, until recently Lord Keeper of the Privy Seal, and Grand Chamberlain Kantaro Suzuki escaped with injuries though Makino's house was burned, and Suzuki's wounds were very serious. Premier Okada escaped death because the assassins mistook his brother-in-law for him when they went to his house. Okada's brother-in-law was shot, and for several days it was generally believed that the Premier himself had been slain.

All this took place so rapidly that the authorities had no time to intervene. Soon, however, the regiment of the Emperor's own guards was thrown around the buildings occupied by the rebels and the center of the city was closed to ordinary traffic. There was no further disturbance, though the city was under martial law. The rest of Japan remained quiet.

Appeals to the rebels to surrender peacefully were rejected. But no attempt was made to force them into submission, because the firing would have been in the direction of the Imperial Palace and some of the embassies, and because the common soldiers were regarded as having simply obeyed their officers in the revolt. Early on the morning of Feb. 29 the commander of the Imperial Guards informed the rebels that the Emperor had ordered them to surrender, that if they disobeyed this order they would be traitors, but that if they obeyed promptly they would be pardoned. This was addressed to the men, not to the officers. By the middle of that afternoon the last of the rebels had yielded.

The revolting officers in a manifesto declared that their purpose was to "root out traitors destroying Japan's national structure, including Elder Statesmen, the senior statesmen's bloc, the financiers' bloc, certain military bloc bureaucrats and politicans." Apparently nothing had been planned beyond the immediate spectacular moves of the assassins and the occupation of the government buildings. The course of events showed that no preparations had been made for taking over the government or setting up a dictatorship. The whole affair seems to have been a gesture against what

the Fascist group in the army considers the harmful influence of the politicians, the big business interests and even the army men who are liberally inclined. It differed in extent but not in kind from the assassination of Premier Inukai in 1933 and of General Nagata last August.

The older and more responsible army leaders felt deeply humiliated and disturbed. The War Minister, for example, in a statement on March 1, declared that the uprising had stained the army's reputation in the eyes of the nation and of the world. But, as the responsible heads of the army, the older men must, under the Japanese code, assume responsibility for what took place.

All seven of the army members of the Supreme War Council—except the four Imperial princes—tendered their resignations to the Emperor on March 3. If precedent had been followed he would have rejected the resignations, thereby maintaining his neutrality in the civilian-military struggle. Instead, he took all seven off the Council, appointing three to other posts and sending the four who have been aggressively Fascist into retirement.

The four who received the severe rebuke of retirement were the former War Ministers, Generals Araki and Hayashi; the former Director of Military Training, General Mazaki, and General Abe. The other three received new appointments: General Kenkichi Uyeda, to succeed General Jiro Minami as commander on the continent and Ambassador to Manchukuo; General Juichi Terauchi, to be Minister of War in the new Cabinet, and General Yoshikazu Nishi, to remain in active service. General Minami is being brought back to Tokyo to serve on the Supreme War Council. No other army men are being appointed to that body to replace the seven who have resigned.

By these steps, as Sterling Fisher put it in *The New York Times*, the Emperor "wiped out at one stroke virtually the entire directing power of Japan's aggressive continental policy of the past five years, leaving in the active field only Major Gen. Kenji Doihara and his chief aide, Major Gen. Seishiro Itagaki."

The Emperor also named liberals to fill the important posts of Lord Keeper of the Privy Seal and Minister of the Imperial Household. Kurahei Yuasa succeeds the assassinated Viscount Saito in the former position, and Tsuneo Matsudaira, Ambassador at London, becomes the Household Minister. Thus, the stroke by which the officers hoped to eliminate the civilians immediately surrounding the Emperor had precisely the reverse effect.

A stop-gap appointment to the post of Minister of Finance was made immediately after Takahashi's assassination. But the crisis made a new Cabinet imperative. The customary procedure was followed. Prince Saionji was summoned to the Imperial Palace. He conferred with the leading civilians, and made the unusual gesture of inviting the Supreme War Council to express its views. At that stage, however, the military men were unwilling to express any opinions.

The Premiership was offered on March 4 to Prince Konoye, but he declined. A day later Foreign Minister Hirota was asked to form a Cabinet. His selection came as something of a surprise, but a welcome one. He proceeded to make his choices for the various posts, selecting liberals for the principal positions. His plan was to include two members each from the two chief parties in the new Diet and one from the principal secondary party, though these men were to be given

less important positions. He named General Terauchi, a member of the Supreme War Council, as War Minister and secured his acceptance. Then on March 6, Terauchi withdrew, and Hirota was informed that the army would name no one for War Minister. This made it impossible to complete a Cabinet.

General Terauchi in a statement issued on March 7 said: "A Cabinet influenced by liberalism and intent on maintaining the status quo cannot be accepted. A compromise of passivity will only lead to further complications. A weak government cannot overcome the present difficulties." That was specific and emphatic enough. Yet on March 9 Mr. Hirota was able to announce that he had formed a Cabinet and that General Terauchi had taken the War portfolio after all. It was understood that the navy had supported the Premier against the army, while the military men were reassured by the promise of reforms.

Yet it is difficult to believe that the military leaders will surrender their control, especially in relation to China, without a good deal of a struggle. They have too much at stake, and are too sincerely convinced that the course which they have been pursuing is the right one for Japan. On the other hand, the civilians, who now have the open backing of the Emperor, seem equally determined to reduce the army's influence as much as possible. If the soldiers prevail almost certainly there will be a speeding up of the expansion on the continent of Asia. If the civilians come out ahead the expansion may be stopped, but it does not seem probable that any such drastic move as withdrawal from Manchukuo will be made.

The Chinese, in these circumstances, are consoling themselves by pointing out that the further Japan extends herself the sooner her collapse will come. This is true enough. But before that happens, whether by war with Russia or by sheer overextension in China, continued and strengthened military control in Japan will bring further grievous suffering to the Japanese people, who already are in serious economic straits because of the crushing burden of military expenses. A more aggressive Japan means more destruction and suffering in Asia, and more trouble for the whole world.

Japanese expansion into Outer Mongolia may be checked for a while, however, by Stalin's blunt statement on March 4 that the Soviet Union will act if Japan attacks the Outer Mongolian Republic. Roy Howard, head of the Scripps-Howard newspapers, in an interview with the Soviet chief, asked, "Would a Japanese attempt to seize Ulan Bator (Urga) make positive action by the Soviet Union necessary?" Stalin replied unequivocally: "Yes." He also stated that the Japanese Ambassador at Moscow recently had been told that, if necessary, Russia would help the Mongolian Republic.

The Japanese Foreign Office spokesman met this warning from Stalin with the remark that Russia was bluffing and that the statement was intended as indirect encouragement to Chinese Communists. But Stalin's statement cannot be passed over so lightly. It was a specific warning to Japan and an announcement to the rest of the world that the Soviet Union now feels herself ready, after the busy preparations of the past three years, to deal with Japan if the armies of the island empire move against the Soviets or those under their friendly protection.

On the Margin of History

"Serviceable" Mandel

Clemenceau once called Georges Mandel, his secretary, "not conspicuous, but very serviceable." Today Mandel is still inconspicuous, but he is recognized as one of the shrewdest and most efficient executives in France, who may yet emerge as one of the big men of the nation. The latest demonstration of his ability is in the reform of the Posts, Telegraphs and Telephones, of which he is Minister. He has removed the personnel of his department from labor union politics and has taken commercial advertising out of broadcasting. He is credited with improving radio programs and with making much progress toward the realization of practical television. But his greatest feat, in the opinion of Frenchmen, has been the establishment of a highly efficient information and messenger service for the benefit of telephone subscribers. By dialing "S. V. P." (French for "please") any subscriber can receive easily available information (for example, "What's the penalty for five tricks down, vulnerable and doubled?") at a charge of 1 franc, or information requiring research ("Where did Cain get his wife?") at charges up to 10 francs. The messenger service makes reservations for theatres, planes, trains and steamships, and buys and delivers anything the subscriber desires for a nominal fee.

China's New Cabinet

Nearly all the Ministers of the Chinese Cabinet formed at the end of 1935 received their higher education abroad. Graduates of Japanese colleges predominate, with six Ministers, including Premier Chiang Kai-shek and the Ministers of Foreign Affairs, War, Interior, Railways and Industry. America is represented by the influential Dr. H. H. Kung, Minister of Finance and seventy-fifth descendant of Confucius, who holds degrees from Oberlin and Yale. Several others studied in Europe. It is the youngest Cabinet on record in China and includes not a single member who might be called venerable. Two of the Ministers are 56, but a majority are still in their forties.

Soviet Way With Potatoes

Crops are not plowed under in Soviet Russia, which has lost millions of lives because of famine. On the contrary, some of the leading Soviet scientists have been assigned to the problem of discovering new ways to increase agricultural production. Their preliminary results were announced on Jan. 28 by the Moscow Institute of Roentgenology. It was found that potatoes are extremely responsive to "ultra-sound," or high-frequency, vibrations. When subjected to a bombardment of the vibrations, which are inaudible to the human ear, for one minute some months before planting, the seed potatoes sprouted earlier than usual and yielded up to 60 per cent more than normal. Green peas treated in the same way yielded from two to three times the usual crop.

Who Goes Abroad?

If you dream of traveling in foreign countries the chances of your dream coming true will be greatly improved if you become a citizen of New York State. According to figures recently released by the Department of State, of 118,000 passports issued during 1935, one out of every three went to a New Yorker. Next in line came residents of California and New Jersey, while Nevada and New Mexico furnished the smallest percentages of applicants. In the matter of occupation, most of the passports went to those who declared themselves housewives, students or teachers; pharmacists and interior decorators were at the bottom of the list. There were, incidentally, twice as many laborers as executives. Fifty-nine per cent of the

applicants were native-born citizens; 53 per cent were males; 40 per cent had at one time or another been granted previous American passports. Eighty per cent of the travelers were going abroad merely to "travel" or on family affairs. Nearly 2,000, however, were avowed missionaries, and over 3,300 were setting off to seek employment.

A Prolific Novelist

A sojourn in the Levant as a minor diplomatic officer provided the material with which J. B. Burgin began a career that has made him England's, and probably the world's, most prolific novelist. Mr. Burgin, who was 80 years old on Jan. 15, has written 113 novels—a total of nearly 17,000,000 words—and hopes to extend the number of his romances to 120 before stopping. The elder Dumas, of course, had a greater record, but employed a score of "ghosts" to help him. Mr. Burgin has never even had the assistance of a secretary.

"Ach, Du Lieber Augustin"

Once upon a time—in the sixteenth century, to be dangerously exact—a vagabond musician named Augustin is said to have wandered from one Viennese taproom to another entertaining the patrons with his "dudelsack," an instrument resembling a bagpipe. He accepted money but preferred wine. One night he became very drunk and fell asleep in an alley among the bodies of persons who had died of the plague. Still drunk, he was carried along with them to a cemetery and tossed into a huge trench. Fortunately for Augustin and for generations of singers of drinking songs the trench was not immediately filled and next morning the minstrel was seen to clamber out. Rumor soon had it that Augustin had risen from the dead and he became the favorite of the wine halls. Later he was immortalized in the song, "Ach, Du Lieber Augustin." When historians recently pointed out that an "Augustin" was born in Vienna in 1536, the Viennese immediately resolved any doubts they may have had about his being *Der Lieber* and began to celebrate his 400th anniversary. The Griecher Beisel, one of the oldest restaurants in the city, now maintains that Augustin got his start entertaining its patrons and has erected a papier-mâché figure of him at its door. A night club has borrowed his name and there are Augustin nights at the cafés. A monument would doubtless be erected but for the fact that a handsome granite Augustin already stands in the Neustiftgasse.

Guillotine Relic

The blade of a guillotine, supposedly the one that killed Louis XVI, was recently sold in Paris for $750. Charles Henri Sanson, the famous executioner of the French Revolution, owned it originally and from him it was passed on to his descendants. In 1893, after being owned by various people, it became an item in a private collection in Brussels. The knife is mounted on a base, which according to the London *Times,* is decorated with "engravings representing the execution of Louis XVI, the farewell at the Temple, the showing of the King's head to the people, and Marie Antoinette in the tumbril on her way to the scaffold."

Coin's Financial School

In 1896 when monetary heresy gripped America, a little, cheaply printed book in yellow-paper covers was selling by the millions. *Coin's Financial School,* it was called, and it presented the imaginary dialogues between one Professor Coin and his pupils—all of whom were prominent business men—in his Chicago school of monetary theory. The professor easily defended against all comers the financial fallacies then so general and his remarks were made the more vivid by the use of cartoons and diagrams. William Jennings Bryan said that "no book in recent times has produced so great an effect in the treatment of an economic question." Its author, William H. Harvey, became known as "Coin" Harvey from that time until his death on Feb. 11, 1936, at the age of 85. During the intervening years Harvey, though forgotten by the public, had

not been inactive, and as late as 1932 emerged from obscurity to run for President on the Liberty party's ticket. In 1924 this man, whom the *Review of Reviews* once described as "an agitator with a genius for exposition so great as to sway public opinion from the Alleghanies to the Pacific and from the Great Lakes to the Gulf of Mexico," was found running a hotel in Monte Ne, Arkansas. Near by he had begun to build a concrete pyramid which was to preserve at its centre a document telling future archaeologists why American civilization fell. When Harvey died he had completed only the base of this pyramid.

Ethiopia's Coat-of-Arms

Ethiopia had no official coat-of-arms until 1904, when a Jugoslav painter, living in Constantinople, named Anastastye Botsarich, was commissioned to devise one. Old Menelik II approved the design prepared by the artist and adopted it for Ethiopia's coat-of-arms, seal and stamps. Botsarich optimistically held out for more than the $2,000 which was offered him as a fee by the Ethiopian delegation to whom he delivered his drawing, and was told that the question of payment would be settled by negotiation from Addis Ababa. He has recently complained that he has never received a cent for the work.

Armament vs. Waistline

It is a favorite Nazi theme that all good Germans should make sacrifices at the dinner table for the sake of a powerful army and navy. Hence the butterless days. Says Dr. Joseph Goebbels, Reich Minister of Propaganda and Public Enlightenment: "We can well do without butter but not without guns—because butter could not help us if we were to be attacked one day." But he has taken pains to assure the country that the dietary sacrifice begins at the top, that the Nazi leaders are "not sitting back, getting fat," but are working hard on national problems. His statement is certainly true in his own case, because Goebbels is so thin as to be almost two-dimensional, but it scarcely applies to several other leaders. General Goering's growing waistline has become famous and defies all the efforts of his hard-working tailor to camouflage it. And Hitler himself has filled out noticeably during the past three years. According to an unofficial estimate the members of the Nazi inner circle have gained twenty pounds on an average since they rose to power in January, 1933.

Paris Papers

There have been strange stirrings in the Paris press. It all began when *Paris-Soir,* thanks to the sensational stories it printed, reached a circulation of 1,200,000, the second largest in France. Immediately that paper's rivals took up the challenge. *Le Journal,* for example, bought a red touring car that looked like a fire engine, and used it to rush reporters about the city. The other papers also tried stunts, but it remained for *Le Journal* to cap the climax. Late in the Winter the paper added a Sunday scandal section that was printed upside down to catch the reader's attention. In the first issue appeared a racy story entitled "Hitler's Secret Loves." The result was a diplomatic incident. The story itself was apparently without foundation, but that did not keep the German Embassy from entering protest in terms strong enough to cause the Paris police to seize all available copies of the offending Sunday supplement. Diplomatically the matter was quickly closed. Reports do not reveal what effect the incident had on *Le Journal's* circulation.

Bottle-Cap Currency

When Missourians purchase anything their minds must go back to childhood days when they used milk bottle caps as "play money," because they must pay the exact amount of their 1 per cent State sales tax in specially stamped milk bottle caps. These cardboard tokens, worth 1 mill, are bought, sold and given in change. Dissatisfaction with them has been general not only because of their inconvenient size but also because

they are regarded as unsanitary. It is reported that the latter objection will be met by coating the caps with some preparation to make them hygienic. Fractional currency tokens are also used in New Mexico to pay the sales tax, but in that State tiny coins worth 1 and 5 mills have been minted for the purpose.

Pavlov the Great

A Romanov, Czar Nicholas I, was ruling Russia when, in 1849, Ivan Pavlov, the son of a village priest, was born in Ryazan in the Province of Moscow. Nearly eighty-seven years later this Pavlov died, a world-renowned scientist who had seen the Romanovs killed and scattered, and had watched a new order come into being. It was in 1891, when Pavlov became Professor of Physiology at the Military Medical Academy at St. Petersburg, that he began the physiological research that was to bring him fame. For his study of the salivary glands and the digestive process he received the Nobel Prize in 1904. Later he made notable contributions to the knowledge of the nature of the brain, and in his latter days he turned to psychiatry. He had small use for the new Russian régime, although its rulers respected him and did not object when he denounced the Bolsheviks as "half-illiterate, rough-handlers of science." Perhaps the Communist leaders recalled that Lenin had been Pavlov's friend. When Pavlov visited the United States in 1929 he was described as a "kindly satyr" whose "piercing, deep-set eyes, beneath bushy, snow-white eyebrows seem to take in everything and everybody at a glance. The face, framed in a silvery beard, recalls a more delicately chiseled Bernard Shaw."

British Labor Camps

Since 1929 the British Ministry of Labor has maintained camps for the rehabilitation of unemployed men. Like the American CCC, but unlike the Nazi "Labor Service" they are voluntary and avoid militarization. Although called "instruction centres," the camps aim primarily at restoring physical fitness by three months of outdoor work and good food. The labor performed amounts to forty-four hours a week and may be planting trees, digging ditches, building fences or farming. In addition to board and a working outfit, the men receive about $1 a week and may spend their spare time as they wish, so long as they are back in camp for "lights out" at 10:30 P. M. While the results achieved by the camps have been good, the scale of the project has been too small to affect a very large percentage of Britain's unemployed. Only about 60,000 men have gone through the camps.

Western Ways in Iran

Iran is slowly following Turkey's example of discarding Oriental customs in favor of those of the West. Although progress has been hampered by the opposition of the powerful Shiah clergy, the Dictator-King, Riza Shah Pahlevi, encourages the reforms. Believing that public example might have some effect on his people, the King had his wife and daughter appear unveiled at the ceremonies which opened the Teheran Normal Institute. His address on that occasion was said to be the first ever to be made in Iran before women not wearing veils.

Japan's Naval Capacity

The prospect of unrestricted naval building finds Japan confident that she will not be left hopelessly behind, as some Western observers have predicted. Dr. S. Washio, writing in the Tokyo magazine *Trans-Pacific*, states that the ratio of existing naval building capacity of the United States and Japan is about 4 to 3 and that Japan's heavy industry is developing rapidly. Admiral Osumi, the Navy Minister, has many times declared that Japan can meet unrestricted naval competition at but little increase in expenditure. This does not mean that Japan hopes to have an actual parity in tonnage with Great Britain and the United States, but "parity value of fighting strength" by means of a vast submarine fleet, numerous mine layers and coastal bases.

May, 1936 Price 25 Cents

MY FATHER, TAKAHASHI

By Riichi Takahashi

OIL IN THE WHEELS OF EMPIRE

By Leonard M. Fanning

WHAT'S LEFT OF CHINA . . . . T. O. Thackrey

MORTGAGEE, MORTGAGOR . . . . Leon M. Siler

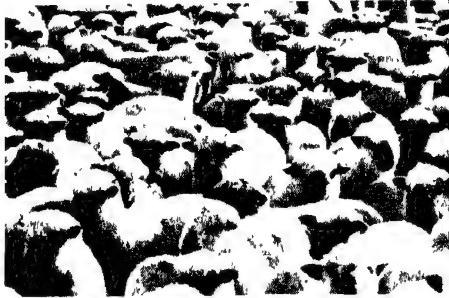
MEET THE ETHIOPIANS . . . . H. R. Ekins

CRAFT VS. INDUSTRIAL UNION . . . . . Arthur E. Suffern

SPAIN IN UPHEAVAL . . . . Lester Ziffren

"Log of Major Currents"
a review of one month's history
—On the Margin of History—
Cartoons — Other Articles

PUBLISHED BY CURRENT HISTORY, INCORPORATED

DID YOU EVER
WAKE UP
COUNTING SHEEP?

THE RED RIVER VALLEY of the North did—up in Minnesota. One morning last fall the residents of that valley woke up to see the highway blocked with thousands upon thousands of lambs. It looked like a tidal wave of "woolies."

The lambs were coming in to be fattened for market. When you start to fatten lambs in the Red River Valley, that's *news!* Because, not long ago, parts of that Valley were slim pickings for a lamb. They had grown too much wheat up there. Wheat had played out. The soil became weed-choked. Farmers were up against it—too many eggs in one basket. Diversification was necessary.

Farmers started growing sugar beets. A sugar factory was built at East Grand Forks. The beet system of crop rotation "brought back" the depleted soil. Today the Red River Valley is prosperous, an example of efficient farming—one of a hundred wide-awake American communities producing annually the sugar supply of 30,000,000 people.

Then beet pulp . . . and beet leaves! There isn't a finer basic ration for fattening sheep or cattle . . . with animal waste products restoring fertility to the soil. An ideal farm cycle! And so one morning last fall H. F. Patterson of Billings, Montana, brought the advance trainload of shipments totaling 90,000 lambs into the Red River Valley to fatten them on beet pulp, both in Minnesota and just across the line in North Dakota. Mr. Patterson is pointing the way to another source of agricultural income for Minnesota.

Credit the sugar-beet acre with more than 3,000 pounds of sugar—and at least 300 pounds of meat as a by-product. And better yields of other crops!

Keep your eye on Red River Valley. For sugar! For meat! For good farming that remembers the damage done by too much wheat!

One of a series of advertisements to promote the sale of beet sugar and to remind—

—America of the resourcefulness, efficiency and necessity of the beet sugar industry

UNITED STATES BEET SUGAR ASSOCIATION

GOLDEN CYCLE BUILDING — COLORADO SPRINGS, COLORADO

Current HISTORY

For May

M. E. TRACY
Publisher

LEONARD M. LEONARD
Assistant to the Publisher

JOHN C. CASMAN
General Manager

SPECIAL ARTICLES

My Father, Takahashi
By Riichi Takahashi 33

Mortgagee, Mortgagor
By Leon M. Siler 43

What's Left of China
By T. O. Thackrey 49

Oil in the Wheels of Empire
By Leonard M. Fanning 61

Meet the Ethiopians
By H. R. Ekins 71

Taxes: English, French, American
By Edward C. McDowell, Jr. 79

Spain in Upheaval
By Lester Ziffren 89

Craft vs. Industrial Union
By Arthur E. Suffern 97

Japanese Enigma
By Charles Hodges 105

REGULAR FEATURES

The World in Books 3

Log of Major Currents
- At Home 9
- Europe 20
- Africa 25
- Far East 26
- Latin America 26

Chronology 112

The Realm of Science 117

Marginal History 119

Speaking of Travel 122

Current History. Volume XLIV. No. 2, May. Published Monthly by Current History, Incorporated, at 63 Park Row, New York, N. Y. 25c a copy, $3 a year; Canada, $3.75; Foreign, $4.25. Entered as second-class matter September 20, 1935, at the postoffice at New York, N. Y., Under the Act of March 3, 1879. Entered in Canada as second-class matter.

The World in Books...

PREMIER MUSSOLINI has switched on the lights and frankly admits that his business in Africa will not be complete until the Ethiopian "military formations" (a category which might very well apply to the entire population) are totally annihilated.

This mass slaughter cannot fail, Il Duce says, but his words may be somewhat disillusioning to W. W. Chaplin, whose "*Blood and Ink*," a reporter's diary of the Italo-Ethiopian war has just been published (Telegraph Press, $2). Mr. Chaplin, after living with the Italian army as a war correspondent for three months, is convinced that the natives welcome the invasion. He pictures a "pitiful people" slowly disintegrating because of starvation, disease, and economic insecurity. Any change would be for the better; "they would have welcomed invasion by the ancient Huns or Goths," the author contends, adding that he has "seen no act of harshness or injustice committed [by the Italians] against this people so deeply in need of understanding."

African Imperialism

Mr. Chaplin, however, will find all these points at issue in *The Rape of Africa* (Harrison Smith & Robert Haas, $3), a broader treatment of the subject by Lamar Middleton, to whom the Italian dictator's declaration of annihilation will come as no surprise.

Mr. Middleton traces the activities of seven European nations in Africa over a period of sixty years and can see little good in a situation that has deprived 140,000,000 natives of nine tenths of their land. Each so-called civilization expedition was a bigger "swindle" than the next, and Africa has nothing to show for it all except flogging, poison "booze", taxes, military conscription, chain gangs, and missionaries. And not the least among the civilized practices brought to the dark continent by the Europeans have been rape, pillage, fraud, and murder.

The author states his case strongly, but is well supplied with convincing evidence in his assertions. Although his book does not deal with the Italo-Ethiopian affair, one almost feels certain that Mr. Middleton would classify it as just another "major swindle."

But powerful as is Mr. Middleton's indictment of imperialism in Africa, it seems reasonable that some of the claims advanced by the colonizing nations can be held up to scrutiny. Mr. Chaplin sees a new Abyssinia with wider and better roads, with schools and hospitals, with opportunity, and the "priceless gifts of security." But the bargain is not all on the side of Ethiopia; Italy will get "broad plains which she can make fertile and on which she can settle hundreds of thousands of her surplus population, thus reducing unemployment and increasing the national wealth."

The composite picture, if any, to be drawn from both books, might conceivably be that of a continent which had to pay the price of independence and even its own identity for the benefits, however questionable, of the administration of government by European nations. It is hardly deniable that roads, hospitals, and schools were buil. and will be built, yet one wonders whether these traditional institutions were introduced more for the purpose of attracting domestic population than to ease the conscience of the Europeans over the question of the "white man's burden."

When Japan Goes to War

Another book dealing with the acquisitive complex of nations is *When Japan Goes to War* (Vanguard, $3), a comprehensive and authentic analysis of Japan's ability to fight and her probable staying power in an almost inevitable conflict. The authors are O. Tanin and E. Yohan, who are remembered for their *Militarism and Fascism in Japan.*

The Japanese people are not all agreed on the question of war but the militarists, who have adopted the slogan of "Asia for the Asiatics", feel that it will not be long before the masses will yield to the exhortations of chauvinism and nationalism and clamber aboard the bandwagon of death.

And when war does come to Japan, the country will be plunged into a period of economic strain that may have as its consequences financial bondage and loss of national independence. For Japan is not yet ready for a sustained war. She has neither sufficient resources of her own nor can afford to buy in the proper quantities from other countries. Here the authors sound a warning to nations which would help finance Japanese military adventures, cautioning that "not only are they fostering and feeding their own future enemy, but that the resources needed by Japan would far exceed her ability to repay them."

The Land of the Rising Sun wants more than Mongolia. It wants Asia; at least "all the land East of the Urals and the Altai." The Soviet war, moreover, while an immediate objective, is but an integral part of Japan's Pan Asiatic long-range program. This scheme would see Japan in possession of the Asiatic Pacific Coast, of China, Central Asia, and of the South Sea Islands.

Thus the war with Russia is considered by Japanese militarists as the first hurdle in their

quest of imperialist utopia. Yet this first hurdle may be too high. Analyses of Japan's finances, military equipment, and natural resources indicate that she could wage a major war for no more than a year, two years at most. Beyond that point, the country will face mass starvation with its inevitable consequence of the intensification of the class struggle.

Japanese militarists themselves concede that a war of more than two years' duration would split the spine of the country's capital and industry. But they do not expect to wage war without allies. They feel that the war against the Soviet will be lightened by internal difficulties in Europe which may see a new world war, or that one or even a few European powers may join Japan against Russia. It would appear that the logical candidate would be Germany, which has already undertaken agreements to ship war chemicals and armaments to Japan. German fascism has openly expressed its sympathy for Japan and is not willing to "raise objection to the policy of a 'Prussia of the East.'"

Mr. Tanin and Mr. Yohan have been careful to avoid the pitfalls of surmise and conjecture. They have undertaken to investigate Japan's capacity for war; they have analyzed the country's natural resources, industrial conditions, markets, and credit. The report of their investigation bears the stamp of authenticity.

Alien Americans

While Japan is stirring her war porridge of propaganda and polemics, our own "Little Japan" is having trouble of its own. Minor race disturbances are being reported in increasing frequency from California. One feels that the problem is more a matter of America's general treatment of foreigners than it is of nationalist influence. The problem in its broadest aspects is discussed by B. Schrieke in *Alien Americans* (Viking, $2.50).

What happens to the American-born child of immigrant parents who finds that he is an unwelcome citizen? If he is deprived of normal schooling, recreation, and social contact, can he be blamed if he becomes a charge upon the State? Or can we condemn him if he looks to foreign shores for his economic and social salvation?

It is not so much the answer to these problems as the causative reasons which will concern a nation that prides itself upon the possession of a document advertised all over the world for its provisions against inequality and persecution.

There have been many books dealing with the immigration problem since Jacob Riis wrote his "Making of An American." Mr. Schrieke's book deserves a high place among the best of them. But Riis wrote at a time when America made light of its reputation as the melting pot. Today, the stigma of race transcends all else, citizenship and even American birth.

Yet one can hardly say that the problems of

economic hardship and inopportunity are peculiar only to immigrants, or children of immigrants. There are the millions of jobless American youth who have come of age at a period when industry, business, and the professions are closed to newcomers; theirs is the plight of the trained but unwanted. Maxine Davis' *The Lost Generation* (Macmillan, $2.50) describes this plight and should be compulsory reading for anyone who has ever turned down a youthful applicant for a job.

Americans pride themselves on their institutions. They pay taxes to support the schools. When a child is six his education is a matter of law. When he is fourteen he moves to a higher plane in the educational scheme. And when he is eighteen there are a number of schools which will be willing to educate him still further without tuition costs. But after paying for all this education and training and preparation, we have nothing more to do with youth. It is as if we build homes but make no provision for walls or ceiling. As a nation we have allowed our insurance policies to lapse.

Peace or War

Congressmen who have done much viewing-with-alarm lately over the formation in schools and colleges of student organizations lampooning war and bonuses, such as the Veterans of Future Wars, or Future Gold Star Mothers, will find much enlightenment in Merle Curti's *Peace or War, The American Struggle* (W. W. Norton, $3). Professor Curti records the history of the peace movement in this country from 1636 to 1936.

With graceful pedagogic restraint, Dr. Curti avoids the rôle of a prophet and confines himself to an objective study of peace movements since the Revolutionary War. His conclusion is that peace movements alone do not prevent war; indeed, history shows that sentiment and activity for peace were always strongest just before actual conflict. Economic factors are both reason and alibi for war.

The book is thoroughly scientific, unbiased, and free from second-guessing. It cannot help but add to Professor Curti's reputation as one of America's foremost historians.

Campaign Biographies

The campaign biography is rapidly becoming as standardized an item of political promotion as the backslap or even the inevitable visit from the district leader. Now that the three most prominently mentioned Republican candidates have been the innocent (or otherwise) subjects of books, it begins to appear as though the biography is as much a nomination requirement as citizenship and age.

Within the short space of a month, there have appeared *Frank Knox, American*, by Norman Beasley (Doubleday Doran, $1); *This Man Landon*, by Frederick Palmer (Dodd, Mead, & Co., $1.50), and *Borah of Idaho*, by Claudius O. Johnson (Longmans, Green & Co., $3). The books increase in size and importance in the order named.

Mr. Johnson's work, fortunately, can not justly be classified as campaign literature. Published in any but an election year its significance would have doubtlessly been enhanced. For the book is not only a study of a life worth telling; it is the story of a moving America as pictured through the career of a man whose importance as a political figure has been exceeded only by presidents.

Political Destiny?

Like Clay and Webster and Blaine, Borah's influence over a long period of years has helped shape American history and politics yet he never was the nominal leader of the nation. Certainly, American foreign policy, at least until 1932, has been based largely on the political philosophy of the Senator from Idaho. He led the fight against the League of Nations and Wilson and won. Harding, Coolidge, and Hoover consulted with him on questions involving United States foreign policy.

Borah made no pretense of consistency. He opposed the Woman Suffrage Amendment yet advocated Prohibition. He fought the soldier's bonus for many years but suddenly changed and supported payment in the bonus fights of 1935 and 1936. A staunch isolationist, he opposed intervention in foreign affairs yet introduced a resolution as recent as last year calling for an investigation of religious persecution in Mexico.

Senator Borah has been guided more by his sense of moral righteousness than by consistency or the doctrines of any political party. In this may rest the solution to the enigma of his true political label.

Alger Formula

Frank Knox, American, reads like a pattern for Horatio Alger. Here is the rags-to-fame-and-riches story, of a newsboy and cub reporter who applied the formula of courage, ambition, initiative, etc., and scaled the heights of his field to become general manager of the far-flung Hearst newspaper chain at a salary of "more than $150,000 a year." Today, he is a publisher in his own right.

This Man Landon is more of a political than a personal account of the Kansas budget balancer. Mr. Palmer went to Kansas, made a thorough study of the Landon record on matters not only of budget, but of relief, education, backing, background, and even of experiences with Landon's brain trust. One gets a clear picture of a presidential candidate whose appeal to the people may be presented as a combination Coolidge and Theodore Roosevelt—a thrifty, hard-headed American but with a little more dynamite than Mr. Coolidge and a little less of the "big stick" of Teddy Roosevelt.

No discussion of the month's biographies would be complete without mention of *John Reed*.

The Making of a Revolutionary, by Granville Hicks with the assistance of John Stuart (Macmillan, $3.50); and *Theodore Parker, Yankee Crusader,* by Henry Steele Commager (Little, Brown, $3).

John Reed, poet, playwright, war-correspondent, editor and—most important—a man and thinker, lived one of those rare and important lives that biographers dream about but are seldom able to find. Yet in the sixteen years since his death there has been no full-length biography of the boy (he died at thirty-three). It seems somewhat appropriate that the publishers should be the same organization that accepted Jack Reed's "greatest story" but were forestalled in the publication of the book because the State Department confiscated Reed's notes and papers. It must have been almost twenty years ago that Jack wrote to Lincoln Steffens, as revealed in the latter's autobiography, concerning his plight in not being able to rescue the papers so that he could fulfill his contract with the publishers.

It is fitting that Mr. Hicks' biography should be dedicated to Steffens; Reed's life was in many ways like that of the famous "Steff." Jack Reed lived as he thought—the vigor and color of his experiences were equalled only by the vigor and color of his mind. Like Steffens, Jack Reed belonged to that almost legendary group of American thinkers and doers that included Mabel Dodge, Bill Haywood, Louise Bryant, and Albert Rhys Williams. Theirs was an intellectual common denominator of radical thought and action, and Jack Reed found that with them he could grow.

The ordinary facts in the life of John Reed are well known. Economically independent, he nevertheless was able to appreciate and even dedicate his life to a new system of social justice and economic security. He died in the Soviet while working for the cause of communism, and was loved by the Russian people even more, perhaps, than by his own countrymen. He was buried "in the most honored spot in Russia, beside all the great heroes in the Kremlin."

Parker's Influence

Mr. Commager's biography of Theodore Parker is a well-told story of the America of a hundred years ago; of a challenge to American institutions, and of the development of New England as an intellectual autocracy which was to dominate the country for generations.

Theodore Parker wrote and talked and influenced thousands, not only in stolid, puritanical New England, but throughout the country and even Europe. Emerson called him one of the greatest men of his time. As an interpreter of democracy, Parker has had few peers. In fact, one suspects that his phrase, "The government of all, by all and for all, is a democracy" was appropriated and changed somewhat by Lincoln for his immortal ending to the Gettysburg Address.

Mr. Bates on Congress

The Story of Congress: 1789-1935, by Ernest Sutherland Bates (Harpers & Bros., $3).

An interesting, popularly written account of Congress from the time of Washington to the first years of the present Administration. The author has divided his work into nine main chapters, each one covering a distinct political era in the history of the American Government.

The Month in Fiction

Among the noteworthy works of fiction during the month are *The Green Lion* by Francis Hackett (Doubleday, Doran, $2.50); *Darkness and the Dawn,* by Alexis Tolstoi (Longmans, Green & Co., $2.50), and *The Undaunted,* by Alan Hart (W. W. Norton, $2.50).

Mr. Hackett's large following, one feels safe in predicting, will be very pleased with his latest effort, his first novel since *Henry the Eighth* and *Francis the First. Darkness and the Dawn,* translated from the Russian by Edith Bone and Emile Burns, is a significant novel of the middle class destiny and philosophy during the Russian revolution. Mr. Hart's book, a novel of modern medicine, depicts the human side of the profession. It is the story of research workers—men of medicine in search of the truth in their fight against disease, and their great courage in the face of disappointment.

Current HISTORY

MAY 1936

LOG *of* MAJOR CURRENTS

At Home

SPRING opened with disasters in the United States. Mid-March brought floods into the Northeast, while early April loosed a terrific windstorm in the South.

Twice within three weeks crime, politics and international affairs were swept from the front page. The inside of all great dailies grew black with pictures portraying scenes of misfortune and distress—streetcars standing in several feet of water, with only their tops visible; merchants sitting in rowboats outside their flooded shops; muddy waves lapping against the lintels of plate-glass windows, and guests being rowed across a hotel lobby in order to check out at the desk.

A dozen cities were plunged into darkness as power plants were flooded. Public service came to a halt and pillage mixed with panic. Troops were called out and the Coast Guard was summoned inland for the first time since its establishment in 1790. Thousands of people found themselves destitute as their homes or business establishments succumbed to the rising waters.

FLOOD: There were three main areas of destruction in the United States—the Ohio River Valley, New England, and the Potomac River Valley. Of these three, the Ohio River Valley from Pittsburgh to Cincinnati—a 400-mile stretch—suffered most, with the greatest loss of life and property occurring in the Pittsburgh area, where the Monongahela and Allegheny Rivers unite to form the Ohio. The Conemaugh, a tributary of the Allegheny, flows past the town of Johnstown, Pa., the scene of the dam-burst in 1889 which killed 2,209 people.

An estimate by the Associated Press placed the dead in all sections at 171; the property loss at $507,600,000, and the destitute or homeless at 429,500.

❖ ❖ ❖

NEGLECT OF FLOOD CONTROL: The flood and its consequences focused national attention on the causes of floods and their control. The receding waters found the various forces in Congress intent on locking the stable after the horse had gone, and recrimination, opinion, reproach and general unclassified rhetoric were exchanged freely by all concerned. Out of all this came several things.

The damage caused by the 1936

March floods was relatively less than that caused by the great floods of twenty-three and forty-seven years ago. This was true because of the several flood control projects which have been built in recent years—dams, reservoirs, and other works. While these helped considerably, there was still an immense loss sustained which might have been averted if the country had a proper flood control system.

The outstanding example of this type of flood control is that which operates so successfully in the Miami Conservancy District in Ohio. On the Miami River, above Dayton, Ohio, there are five great retarding basins, built between 1918 and 1922 at a cost of $32,000,000. They are controlled by five great dams which vary from 1,200 to 6,400 feet in length, and from 75 to 125 feet in height. These basins are designed to take care of a volume of water 40 percent in excess of the flow that caused the disastrous flood in 1913 in Dayton, and 20 percent in excess of any flood stage that would be possible in the Miami Basin. As a result of this project, the several floods that have approached the 1913 flood in volume since that date have been kept under control, and the industrial cities of the lower Miami Valley have not suffered.

Soil Conditioning

Another effective method of checking floods is by conditioning soil and controlling the vegetable cover, so that water produced by rainfall or melting snow will be absorbed and its rapid run-off checked. H. H. Bennett, Chief of the Soil Conservation Service of the Department of Agriculture, maintains that the March flood was worse than any previous flood caused by a coincidence of rainfall and unseasonable weather because of the present soil conditions. Hundreds of thousands of acres in the area from Vermont to the Carolinas, and from the Jersey mountains west to the flatlands of central Ohio, have been denuded of natural forests and meadows, and placed under cultivation. Hillsides and steeply sloping lands have been laid bare by the plow without regard to contouring. Gullies have been allowed to form and grow, with thousands of acres rendered useless for agriculture or grazing.

Water Supply

A serious consequence of floods is their effect on the water supply, that is to say, the water table—the reserve of water held in the subsoil. This not only feeds the streams during the dry seasons, but is the source of well and artesian water. The exact relationship is not known, but it is patent that in such a large flood a great deal of water runs off the surface and into the sea without having the opportunity to sink into the subsoil. An adequate reserve of ground water is, of course, essential.

Another danger to the water supply in times of flood is the imminence of disease. This is especially true where flood waters cover ground occupied by garbage dumps, outdoor toilets, and other sources of disease. In many of the areas that were flooded in March a great deal of work was done in distributing and administering serums for typhoid and meningitis. One of the most noteworthy aspects of the entire flood relief was the work of the health departments in several sections. In no place did any serious epidemic gain a foothold, although conditions in many places were favorable.

Remedial Measures

On March 21 the President allocated an additional $25,000,000, to be used in the flooded areas. This brought the total amount allocated by the President from funds at his disposal up to $43,-411,633. The WPA mobilized 250,000

men from various projects and from relief and set them to work helping cities and localities clear up the streets and reestablish public services.

Congress went into action on flood control legislation, and other legislative matters were pushed aside for a period. Hardly had the waters begun to recede when several bills, some old and some new, came up for discussion. On March 24 a resolution was introduced in the House calling for a joint Congressional investigation to determine what additional Federal aid was necessary, and to map a long-range program to prevent damage by floods in the future.

On the same date, the Senate Commerce Committee shaped a $305,000,000 bill which included the construction of reservoirs, dams and levees, in the recently flooded eastern States. It was described at the Capitol as being a move to take "flood control projects out of the 'pork barrel' class." This bill was based upon the recommendations of the Army Board of Engineers.

Another bill came before the Senate to authorize projects on the lower Mississippi River. This bill, introduced by Senator Overton, Louisiana Democrat, called for an expenditure of $272,000,000. The Copeland Bill is a revised version of a measure passed by the House last session. As approved by the House it would authorize projects costing $370,000,000.

Critics' Field Day

The discussions brought considerable recrimination from anti-New Deal camps, and much comment from everyone concerned. Senator Guffey lined up the legislators from the stricken States for action, and became the butt of much criticism directed at the New Deal. Senator Wagner of New York, in an impassioned article written for the North American Newspaper Alliance, said nothing new, but he did succeed in endowing floods with a lack of social consciousness. "They are no respecters of States' rights," he said, "nor do they consider the 'capacity to pay' of the man whose house or factory they invade."

Others were opposed to the Government taking action in the matter until sufficient study could be devoted to the problem of insuring the country against repetitions of such disastrous consequences of floods. In its December 1934 report, the National Resources Committee reported that any practical program of comprehensive reservoir control could be undertaken only by the Federal Government. A member of the committee, Thorndike Saville, Assistant Dean of Engineering at New York University, said that "from forty to fifty percent of the general damage, and a greater percent of the concentrated damage from floods, could be prevented as part of a comprehensive drainage basin watershed development." He added: "As a result of the recent floods much hasty legislation and inadequate control projects will be advocated. Great floods are of rare occurrence, and there is no need for undue haste in control programs."

◆ ◆ ◆

Tornado: Many extraordinary things have happened to the country this year—dust storms in the West, floods in the East, and one of the bitterest winters in recent years. The South had been spared in all of this, and seemed justified in congratulating itself. In the first week of April, however, its luck broke. Coming suddenly out of the blue, "with the roar of a thousand locomotives," a tornado—a high, twisting funnel of wind—swept a path of destruction hundreds of miles long through half a dozen States. In its path lay 421 dead.

Cold and warm winds met high in

the air, and, following physical laws, developed a wind funnel. This funnel, rotating on its vertical axis at perhaps 500 miles an hour, spun down to earth. At its core there existed a vacuum. It was this vacuum that literally caused buildings to explode, and furniture and other objects to leap suddenly through space. When the vacuum surrounded a house, all the air in the house tried immediately to rush out and fill the vacuum.

In an average year there are about a hundred tornadoes recorded throughout the country. These are generally small and of short duration, and the annual death toll in their wake is 300. But this tornado was unique. It killed 421 persons and ran an unusually long course before it played out. The usual tornado is effective for about one hour. While the funnel of air spins at 500 miles an hour, its progress over the land is only about 30 miles an hour, and its path very narrow. It is possible for an automobile to outspeed the funnel.

Toll of Death

The destruction was as terrible as it was sudden. Mississippi reported 211 dead; Georgia, 185; Tennessee, 12; Alabama, 11; and Arkansas and South Carolina, one each. All of Mississippi's dead were from one town—one building, in fact—the town of Tupelo. Gainesville, Georgia, reported 185 deaths. The winds were accompanied in many places by torrential rains which flooded local streams and rivers and towns. Fires broke out, adding to the destruction and confusion, and fire fighters were impeded by débris and lack of water. Disease raised its head. The National Guard was summoned in some sections.

President Roosevelt immediately allocated $2,500,000 for reconstruction, and the Red Cross, which had asked for three millions at the time of the March floods, raised its demands to six millions to take care of this added task.

❖ ❖ ❖

WASHINGTON

Among the numerous problems engaging the Administration's attention recently, four are of first magnitude: taxes, relief and recovery, Congressional investigations, and the coming national elections. These four matters loom as interdependent factors in the success of the Administration at the polls next November. As the elections draw nearer, all members of the Government—and especially the members of Congress—are becoming constituent-conscious, and this has tended to complicate and delay much necessary legislation which normally would be handled with sureness and despatch.

❖ ❖ ❖

Taxes: It is the job of the President each year to tell Congress how much money will be needed to run the Government for the ensuing year and to recommend means for raising it.

This year President Roosevelt planned to clear up the tax proposals and legislation in short order and let Congress go home early—by the first of April if possible. The idea appealed to Congress, since it promised an early start on political fence-building and repairing.

The President's tax suggestions and demands, however, delivered to Congress on March 3, dimmed the happy outlook. His proposals were not only drastic but fell in some awkward places. No great increase of taxes is to be taken lightly or voted without due consideration, especially in the face of an election.

Some of the measures fell short of political expediency, and New Deal legislators spent most of March with one ear to the ground and another to Capitol Hill. The situation resolved itself into a political tightrope act, and

members of both Houses tread cautiously, holding hearings and conferences, and saying as little as possible.

Republicans and other anti-New Dealers adopted a policy of watchful waiting, reserving their big guns until the new taxes should become an accomplished fact. Meanwhile, industry and capital stiffened against the almost inevitable, unfavorable (to them) tax legislation. Congressional leaders realized, however, that the consolidated opposition of these and other groups would preclude any possibility of a speedy passage of the bill, and advised the President accordingly. The adjournment date was then pushed ahead to late April or early May.

Scope of Taxes

The taxes suggested by the President on March 3 took into account the loss of revenue occasioned by the Supreme Court's AAA decision, and the need for additional taxes for the soldiers' bonus, an unwelcome and unexpected item in the budget. Congress was thus left with the task of providing new permanent taxes which would yield a net additional yearly revenue of $620,000,000. In addition to this, two "temporary" tax levies were suggested which would produce $517,000,000 over the period of their operation. These were a tax on the "windfall income" received by processors from the non-payment or return of the outlawed AAA processing taxes, and an excise on the processing of certain agricultural products, to be spread over a period of two or three years. It was proposed that the present corporate income tax and the excess profits tax be repealed, and in their place a new income tax enacted which would yield $1,614,000,000 annually. The present corporate taxes suggested for repeal bring in about $994,000,000 revenue.

It would appear from this that the total of new permanent taxes and temporary taxes will require additional levies amounting to approximately $786,000,000 annually for the next three years.

The size of these proposed taxes came as something of a surprise to a great many people. Until now most of the Government's revenues have come from indirect, and, as far as the average man is concerned, invisible taxes. But now these sources have been practically exhausted. With more revenue needed, the Government finally had to turn to direct taxation.

The brunt of the new corporate taxes, as proposed, would fall on undivided profits. Estimates show that this impost would approximate 33⅓ percent. This aroused industry and finance to immediate protest. Nor were the processors happy over the proposed "windfall" taxes which would attempt to rescue the money ordered returned to them by the Supreme Court. Another matter which worried tax bill framers was the status of banks, sav-

LOOKS LIKE A TIGHT FIT
—Montreal Daily Star

ings institutions, insurance companies, and the like, under the new undivided profits tax plan. It was proposed at one time that these institutions be exempted from the undivided profits tax, and be taxed at a flat rate of 15 percent of their statutory net income.

The work of the framers became increasingly complicated as the month drew on to a close. Industry and finance marshaled their forces and figures and descended upon Washington to argue their case. They opposed the undivided profits tax on the theory that the corporate reserves served as a "cushion" in times of depression and poor business. It was pointed out that many companies had been able to maintain both payrolls and dividends throughout the depression because they were able to draw from their surplus reserves. The proposed tax, they argued, would tend to dissipate these reserves.

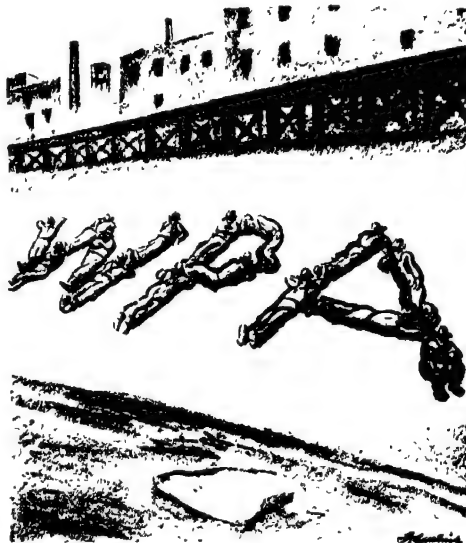
The projected taxes may be likened to a "Morton's Fork." If a corporation holds its surplus in reserves the Government gets a large portion through the undivided profits tax. But if a corporation decides to distribute all of its surplus in dividends, the Government still gets a sizeable cut through the personal income tax.

The Treasury announced on March 16 that tax returns this year were 45 percent greater than during the same collection period last year. This lent considerable heart to the tax bill framers, even though they learned two days later that the public debt amounted to $31,447,106,057.

As April got under way matters were not much changed. Business was increasingly critical, and Congress was thought not likely to include the new processing taxes, at least as proposed. Combatting this, the Administration, determined to get the full revenue demanded by the President on March 3, pressed Congress to pass the proposed measures. The final proposals were scheduled to be presented on the floor of the House about the middle of April, providing no further delays developed.

❖ ❖ ❖

Relief and Recovery: In a message to Congress on March 18, President Roosevelt asked for a new lump sum appropriation of $1,500,000,000 to carry on the Administration's relief projects for another year beginning July 1. Appealing to business to relieve the unemployment situation by making a concerted effort to increase its employment, he said that the Government would reduce or even eliminate similar appropriations in the future if it could be assured that industry would take up the slack.

Although Congress had intimated that it would prefer a smaller appropriation, and indicated its willingness to authorize as much as a billion dollars, the President maintained that the original request was the least that would suffice. He estimated that this amount would bring to a total of $3,100,000,000 the sum allocated to cover relief re-

WPA—WORKERS' PLEASURE ADMINISTRATION
—*St. Louis Post-Dispatch*

quirements in the coming year. This included a budget item of $600,000,000 for the Civilian Conservation Corps, the several public works, and $1,000,000,000 in unexpended balances from previous appropriations.

With this money the President proposes to assist 3,800,000 families and unemployed persons classed as "employables." He said that all others in adversity would have to be cared for by various State and local relief organizations, and that henceforth the State relief rolls would have to look after the "unemployables."

In effect, the President put the solution to the problem right in the lap of industry. Offering the aid and cooperation of all Federal departments and agencies, he said: "I present this problem and this opportunity definitely to the managers of private business. Only if industry fails to reduce substantially the number of those now out of work will another appropriation and further plans and policies be necessary."

Airing the Relief Question

This message brought the relief and recovery problem into the spotlight, and criticism that had been simmering for months reached the boiling point. Administration opponents pointed out that although $8,570,200,000 had been expended on relief during the fiscal years 1934, 1935, and 1936, no appreciable inroads had been made on the basic problem of unemployment.

In general, opponents of the present relief program contend that the situation is worse than the President believes it. They maintain that present relief measures are inadequate. On the other hand, however, those who uphold the President look with great optimism on the question. Representative Woodrum (Dem., West Virginia) said: "Conditions are getting so much better, we may not need as much as $1,500,000,000."

According to the estimates of Harry L. Hopkins, WPA administrator, 24,000,000 people in the United States depend on relief money.

The Works Progress Administration which, from the nature of its organization, is most susceptible to criticism, bore the burden of the controversy, and this sorespot was aggravated by the Administration's decision to cut the enrollment of that agency in New York City by 40,000.

The prevailing belief in Congress in regard to works projects is that more money should be spent on large undertakings and less on the multitude of small projects, apostrophized by the term "boondoggling", to which there has been frequent reference.

Further retrenchment was evident in the Administration's plan to cut the enrollment of the CCC to 300,000 by July 1. At its peak the CCC had a

THE CAN—DIDATE
—United Features Syndicate

strength of 600,000. Many members of Congress, however, were outspoken in their conviction that the present is no time to curtail relief measures. On the contrary, they pointed out, relief projects should be maintained at their present level, if not increased, until after the elections this November. Representative Nichola of Oklahoma advocated that $157,000,000 be allocated from the billion and a half relief appropriation to maintain the existing 2,158 CCC camps until July 1, 1937. A compromise was finally reached whereby 350,000 CCC workers will be retained on the various projects until next March.

Expenditures for relief and recovery are now beginning to be reflected in new and increased taxes. The Administration is banking its continued existence on expectations of a business upturn and general recovery to justify its vast spending program.

❖ ❖ ❖

Congressional Investigations: In the past year and a half the number of telegrams sent to Washington by the citizenry advocating or protesting various legislation has increased enormously. In some instances it has reached such a volume as to have a real and unprepared-for effect on Congress. World Court adherence, the soldiers' bonus, the utilities holding company "death sentence", and other issues of similar importance have all elicited an unprecedented manifestation of public opinion. On the question of the utility holding bill was the flood of letters and telegrams particularly great. Last fall Congress decided to investigate this particular phenomenon which, it thought, smacked of propaganda activity.

After proving to its satisfaction that many of the messages were not authentic, the Senate Investigation Committee, headed by Senator Black, recessed for six months. During this time, agents of the committee went searching for evidence, but this time on a scale not confined to the utility question alone. Early in March the committee reconvened, armed with a great accumulation of evidence, including reams of telegrams from the files of the Western Union and Postal Telegraph Companies.

Most of the data was concerned with New Deal policies and laws, including those affecting public utility companies. As soon as the mass seizure of telegraphic files became known, all of the groups under investigation made plans for a militant defense. According to the committee, many corporations had been inducing their employees to send letters and telegrams to Congress, the wording of which was dictated. The committee further asserted that in some cases the companies even paid the wire costs. It was said that five million telegrams had been under investigation by the committee.

Opponents of this line of investigation accused Senator Black and his committee of "pillage", "terrorism", and "unreasonable search and seizure." Some of those affected by the inquiry appealed to the courts to protect the sacredness of their private correspondence under the Constitution. Supreme Court Justice Wheat of the District of Columbia, granted an injunction to a Chicago law firm restraining the telegraph company from delivering its own telegraphic files to the committee. This annoyed the committee not a little. Senator Black denounced the court and raised a new issue; to wit, who shall be master, the court or Congress? He pointed out that the court derived its powers from Congress and that Congress could, if necessary, change those powers. This, in turn, prompted

the protest that the legislative branch was attempting to usurp the powers of the judiciary.

Reaction Against Pressure

It was the feeling of the committee, on the other hand, that certain powerful interests were attempting to put undue pressure on Congress, and that its investigation was justified in order to protect the country at large from sub rosa dictatorship by the large corporations. Senator Black resented the criticism directed against the committee, and labeled his critics "lobbyists, propagandists, and so-called patriotic societies", who were, he said, engaged in "perpetrating a gross and malicious campaign of misrepresentation." Meanwhile, critics of the Administration and the investigation defended the lobbies, pointing out that their activities were no worse than the propagandist activities of the various Government press bureaus, and the literature sent out by Congressmen by franked mail.

For a time, the committee's investigation resolved itself into a pitched battle with William Randolph Hearst, whose opposition to the New Deal and to certain individuals in Congress is manifest in the news and editorial pages of his newspaper chain. Mr. Hearst discovered that a number of his telegrams were in the files seized by the Black Committee. Seeking to restrain the Western Union from surrendering one specific telegram which had been subpœnæd by the committee, Mr. Hearst carried the fight to the District of Columbia Supreme Court, where only a day earlier Justice Wheat ruled against a blanket seizure of telegrams by the committee. But Justice Wheat, in ruling upon the Hearst application, said that the Senate was within its rights in calling for a specific document. The committee disclosed that Mr. Hearst had directed his Washington paper to attack Representative McSwain, chairman of the Committee on Military Affairs. Representative McSwain had incurred the publisher's wrath because he made remarks in public and private which did not reflect highly on Hearst journalism.

Protests against the Senate Committee's methods came from many sources, some of them widely apart, as, for example, the American Civil Liberties Union and the American Liberty League.

Mr. Gifford for A.T.&T.

Meanwhile, other investigations flourished. The American Telephone and Telegraph Company was investigated in regard to its status as a monopoly. Mr. W. S. Gifford, president of that corporation, was asked a great many questions and carried off a fair share of the honors. He freely acknowledged that the Telephone Company was a monopoly, and that it sometimes found it necessary "to fight certain Federal and State legislation." He revealed his salary, and gave his views on lobbies in general, which he divided into two groups—benign and malignant. The committee delved into the family affairs of the A. T. & T. and endeavored to ascertain the status of the Western Electric Corporation.

The Black Committee finished its examination of telegrams by April and spent two days in denouncing Mr. Hearst. They thus pitted themselves against a master and practiced denouncer, and the Hearst papers gave back blow for blow.

The House voted a measure which would require all lobbyists to register their names, addresses, and names of their employers, and the Black Committee was voted $12,500 on March 27 with which to carry on its work.

When the Senate decided to hold a trial of impeachment on the official conduct of Federal Judge Halsted Ritter of Florida, it instituted the thirteenth impeachment proceedings in the history of Congress. The most famous of such Senatorial trials was that of President Andrew Johnson, who, in 1868, escaped removal from office by the narrow margin of one vote.

❖ ❖ ❖

The Elections: The campaign for the Presidential election in November will start in earnest with Congressional adjournment. It is expected that President Roosevelt will be the Democratic candidate. Ranged against the Roosevelt Democrats are a number of groups, including the disaffected Democrats and other dissenters within the party.

The Republican hopes have not crystallized in any one candidate as yet, and two or three men are seeking the party's support.

As the conventions draw near, a number of contenders and groups gird for the fight. Under the Republican banner are Senator William Borah of Idaho; Colonel Frank Knox, Chicago publisher; Governor Alfred Landon of Kansas, and possibly ex-President Herbert Hoover. Senator Borah pins his hope on the Ohio primaries, the outcome of which will probably determine his further candidacy. Nor is Colonel Knox coy in his efforts to win the Republican nomination. Governor Landon, leaning heavily on his record in the Kansas capital, has launched an active campaign.

Many political observers believe that the Republican Party has not yet found a man with enough appeal to unseat the present Administration. Others think that a Republican victory will not be difficult. These opinions, however, are full of ifs, ands, and buts, and are liable to change without notice.

Also On The Ballot

Seven other political groups are preparing to take an active part in the coming political struggle. The Socialists, the Farmer-Laborites, the Communist Party, the Prohibitionists, the Socialist-Labor Party, the Progressives and the American Commonwealth Party all seek a "place in the sun."

The Socialists, who polled more than 800,000 votes for Norman Thomas in 1932, are split with internal dissensions. The Communists, headed by William Z. Foster, 1932 candidate, are recognized by seven States on ballots. The Communists and the Socialists may combine their strength and support the Farmer-Labor ticket. The latter party, with Governor Floyd B. Olsen as its leader, is strong in Minnesota, and favors Senator Gerald P. Nye (Ind. Rep. North Dakota), noted for his Senate Investigation Committee, for the Presidency. The Socialist-

EVOLUTION OF A HAPPY WARRIOR
—United Features Syndicate

Labor faction is an insurgent group. The Progressive Party is a family affair of the La Follettes. The American Commonwealth Federation, under the hand of Representative Thomas R. Amlie of Wisconsin, are Left Wing with the slogan of "the people against the vested interests." It, too, has its home in Wisconsin and Minnesota.

❖ ❖ ❖

Labor: The Goodyear strike, the rail-labor conflict, and the question of craft unionism, are prominent in the news. The maritime labor situation has been taken up by Congress, which is hearing evidence regarding mutiny and sabotage at sea. This involves the entire merchant marine and shipping of the country.

The rail-labor conflict began with Federal Railroad Coordinator Eastman's proposed unification of twelve rail terminals. The twenty-one standard rail unions, represented by the Railway Labor Executive Association, protested the plan for consolidation on the grounds that it would throw many men out of work. They made "protective" demands which were rejected by rail executives. These demands were then incorporated in the Wheeler-Crosser Bill introduced in Congress, but President Roosevelt intervened, as matters became more involved, and asked the unions to settle their differences with the railway heads and not to resort to legislation.

The Akron strike involving Goodyear Tire and Rubber Company employees was finally settled on March 21, when the company agreed to take all of the men back and to give advance notice of layoffs in the future. Secretary Perkins was active in the negotiations.

❖ ❖ ❖

Territories: The various territories of the United States ran the gamut of change and political upheaval in the past few weeks. In Puerto Rico, the issue of Island Statehood by Act of Congress was bitterly contested. The Liberals, headed by Luis Marin, aligned against Dr. Ernest H. Gruening, Chief of the Bureau of Insular Affairs of the Department of the Interior, who is said to oppose the Island's independence. The Independentistas have at their disposal more than $40,000,000 granted by the last Congress for rehabilitating the Island. This money, to be spent on a ten-year plan for which legislation will be sought in January, will force plantation-owners to sell much of their land to the rehabilitation administration. This land will in turn be sold in three-acre plots to the native farm laborers. They will be aided and supervised in growing diversified food crops in order to make the Island independent of the United States, from which much of the food supply is now imported.

Philippines

The chief concern in the Philippines is money. Embarked on a policy of maintaining a first-class little army with compulsory conscription, the present Government finds the cost unmatched by the visible income at hand. It is planned to train 50,000 men in the army during the first year, with a goal of 500,000 men, most of which would be reserves. In the outlying provinces, however, many natives refuse to be conscripted. General Douglas MacArthur, formerly head of the United States Army, is military adviser to the Filipino President.

Panama

In a treaty recently made between the Governments of the United States and Panama, the former relinquished its rights to keep order in that country, and changed the annual rental on the

Canal Zone from $250,000 (old gold standard) to $430,000 in present United States currency.

Europe

PANIC gripped Europe last March as the Germans goosestepped back into the Rhineland. The last curtain was down on the Treaty of Versailles. The Locarno agreements were in the scrap heap. All Europe feared war, talked war, was ready to make war.

That was on March 7. During the next five weeks, nothing much seemed to have happened. There were threats, not action; debate, not combat; words, not bullets.

For France and England, the proceedings carried an air of frustration. Even while France fought to curb the Nazis, Hitler moved more troops into the Rhineland. And while England sought to end the Ethiopian hostilities, Mussolini spurred his campaign.

More significant was the breach between French and English—most hoped for and perhaps least expected of Nazi and Italian silver linings.

It came with England's absorption in Africa and France's concern in the Rhine. England held out to stop Mussolini, exhibiting a secondary, and at that, a conciliatory interest in the German violations. France, her troubles nearer home, openly relaxed toward Italy, declaring against further sanctions and directing League attention to Germany.

England's seemed the first victory. With the Easter holidays, the League was getting ready to renew consideration of the African tangle; later, will come the Rhineland.

❖ ❖ ❖

FRANCO-SOVIET TREATY: Last May, the Franco-Soviet treaty was negotiated. The Nazis made a loud noise. France pondered. Perhaps she had better not, after all.

But when the French Chamber ratified the treaty, it was too late. Hitler seized upon the provocation to march his "symbolic" troops into the Rhineland. Three fourths of his note denouncing the Locarno agreements were devoted to the Franco-Soviet treaty.

He concluded: "Germany no longer considers herself bound to this now defunct [Locarno] pact."

The French Senate had not yet ratified the treaty, and was not certain of doing so, owing to divided public opinion. But Hitler solved the problem. French hair bristled. The Senate acted. The treaty became a reality.

The pact, it is provided, will last five years after ratification, the documents to be deposited with the League of Nations for safekeeping. A defensive pact, it has counterparts in treaties concluded separately with France and Russia by Czechoslovakia, Rumania and Yugoslavia, the so-called "Little Entente."

The first two articles are the most significant.

Article I reads: "In the event of France or the U.S.S.R. being threatened with or in danger of aggression on the part of any European State, the U.S.S.R., and reciprocally France, undertake mutually to proceed to immediate consultation in regard to measures to be taken for the enforcement of Article X of the League of Nations Covenant." (Article X relates to concerted League action against aggressors.)

Article Two reads: "In the event France or the U.S.S.R. under circumstances specified in Article XV, section 7, of the League covenant, being subjected, in spite of the genuinely peaceful intentions of both countries, to an unprovoked aggression on the part of any European State, the U.S.S.R. and

reciprocally France, shall immediately come to each other's aid and assistance."

❖ ❖ ❖

German Objections: As the Nazis began their Rhineland parade, German officialdom made public its interpretation of Article II. It provides, the interpreters maintained, for immediate military aid and consultation without action by the League of Nations in the event the aggressor should not be a member of the League and therefore not subject to League control.

Germany is the only important European State not now a member of the League. She sees the Franco-Russian treaty as a direct threat to her safety in the event of misunderstanding. Thus, she says, the Locarno pact, to which both France and Germany are signatories, had been violated by France in spirit, if not in fact, when the treaty was signed.

❖ ❖ ❖

Hitler's Olive Branch: None appeared ready to condone Germany's action, however. Condemnation came swiftly, but it came with reservations. European diplomacy saw to it that doors were left open, to come in, to go out again. There was one reason for these reservations: peace.

As for the German denunciation of Locarno, of course you had to scold a little. An agreement, after all, was an agreement. But still, nothing unexpected had happened. The end of Locarno was seen at its beginning.

So when Hitler offered peace, and insisted that all those troops were just a "symbol", you could believe or disbelieve, but you had better think it over, and remember it was something, anyway.

This, at least, was the tone of England, as she essayed the rôle of mollifier to an angered, touchy, and worried France.

French indignation, at first at the boiling point, simmered down to a degree that permitted suggestions. The long negotiations opened, with the end not yet in sight, but with European war equally far removed.

In the same March 7 memorandum in which the Locarno agreements were denounced, Germany offered a six-point treaty to be signed with France and Belgium, with England and Italy invited to sit as guarantors.

An additional explanation expresses Germany's willingness to reenter the League of Nations, "in expectation that, in due course, by amicable negotiation, the question of colonial equality as well as the question of the League of Nations Covenant from its Versailles basis shall be cleared up."

The six-point treaty, which had as its first point the creation of a bilateral demilitarized zone—one extending as far into French and Belgian territory as into Germany territory—was proposed as follows:

1. The German Government declares its willingness to enter at once upon negotiations with France and Belgium for creation of a bilateral demilitarized zone, and in advance to agree to extend such a proposal to any desired depth of comprehensiveness, provided only there is complete parity.

2. The German Government proposes, for the sake of securing the inviolability and invulnerability of frontiers in the West, a non-aggression pact concluded between Germany and France and Belgium, whose duration it is ready to fix at twenty-five years.

3. The German Government desires to invite England and Italy to sign this pact as guarantor powers.

4. The German Government is agree-

A DICTATOR WITH INSOMNIA COUNTS SHEEP

—*The Detroit News*

able, in case the Royal Netherlands Government so desires and other contracting parties deem it expedient, to have the Netherlands included in this pact system.

5. The German Government is ready, for the sake of further strengthening these security measures, to conclude between the Western powers an air pact, designed automatically and effectively to forestall the danger of a sudden air attack.

6. The German Government repeats its offer to conclude non-aggression pacts with the States bordering on the east of Germany, and a similar one with Poland.

The first German overture toward Lithuania is made thus:

"Seeing that the Lithuanian Government in the last few months has subjected its attitude toward the Memel territory to a certain revision, the Reich Government takes back the exception which once applied to Lithuania and declares its readiness to sign a non-aggression pact also with Lithuania, provided the guaranteed autonomy of the Memel territory is effectively carried out."

❖ ❖ ❖

France Recommends: During the weeks of turmoil that followed, Germany rephrased these suggestions in many minor ways, but when the key meeting of the Locarno Powers assembled April 8 at Geneva, after innumerable other preliminary conversations, the only actual concessions which had been made had come from the other

Locarno signatories. (The signatories were Germany, Belgium, France, Great Britain, and Italy.)

France submitted an alternate plan for a "twenty-five-year peace agreement" providing for an international commission, ruling the operations of international troops, to act as a barrier between Germany and France on the Rhine front.

The French conceded the necessity of reconsidering the demands of Germany for the restoration of colonies lost during the conclusion of peace after the World War. But she demanded a positive guarantee of no further boundary changes in Europe.

❖ ❖ ❖

Italian Muddle: England made it clear that she would insist first upon taking up the prior question of Italy's violation of the League Covenant in making war on Ethiopia. Next, she said, would come the Rhineland.

France announced herself as definitely opposed to imposition of further sanctions against Italy at the present time.

Italy, leaving her Geneva delegate powerless because of a lack of instructions from home, renewed her attack upon Ethiopia with a demand for the destruction of that nation's armed forces.

Italy had been the first power to receive Germany's notification of her return to the Rhine. The Italian position was quite clear from that moment, although Italy delayed a definite statement on the subject until the formal meeting of the League of Nations Council which was called in London on March 18 to consider the terms to be sent to Germany on behalf of Great Britain, Belgium, France, and Italy.

There, Dino Grandi, Italian Ambassador to London and delegate to the Council, stated the Italian attitude in terms that have not changed and could not have been misunderstood.

After reaffirming Italy's agreement that Germany's action had been a violation of Article 43 of the Treaty of Versailles (which guaranteed the Rhine against military reoccupation by Germany) and conceding that Article 4[1] of the Treaty of Locarno could properly be invoked, he stated that "Italy remains faithful to her undertakings." But he added:

"It is evident, on the other hand, that as a result of the decisions and measures taken at Geneva in regard to the Italo-Ethiopian dispute, the states which have adopted them cannot expect from my country the application of measures which would be incompatible with the position in which those same states placed Italy.

"I should be failing to discharge my responsibilities if I did not draw the attention of the Council to the contradiction which exists between the position of a country subjected to a system of sanctions and its task as a guarantor power which falls to it."

Later in the same speech he warned:

"It is frequently said in the Council of the League of Nations that peace is indivisible.

"If that is so, the methods of preserving and safeguarding peace should be indivisible. Otherwise, Europe will inevitably be led to transform herself into a system of manned frontiers, mobilized fleets, and standing armies."

❖ ❖ ❖

German Elections: On the following day the Locarno powers, including Italy, requested Germany to permit temporary occupation of the Rhineland

---

[1]Provides for assistance by and to signatories against an aggressor if the demilitarized zone is violated.

by British and Italian soldiers, and to give a definite commitment not to increase the present Rhine garrisons, and to refrain from fortifying the zone.

It was proposed that acceptance of these terms would result in an immediate conference on a permanent peace program, but a rejection would mean consultation of the general staffs of France, Belgium, and Great Britain.

Again, it must be noted that Italy is not mentioned in connection with any military alliances which would amount to sanctions.

Germany rejected the note on March 24, on the plea that the elections forthcoming five days later made it impossible to concentrate on an adequate reply and counter-proposal.

The elections were significant, both in the manner of their supervision and in their results. While it was true that only one list of candidates appeared, and that there was space on the ballots to vote only "Yes", as an endorsement of Hitler's foreign policy, the effect was powerful.

No matter how much unrest may underlie the actions of the people, it was impossible not to be impressed with the fact that, like it or not, 44,952,476 votes were cast—more votes than France has population.

Naturally, all but about two percent of these votes were "Yes." The only other possibility was a defaced ballot. But the ability of the State to turn out its entire population, to demonstrate a unanimity of action in a crisis, created exactly the setting Germany wished to have for her note of rejection.

On April 1 the German note was delivered, in which Germany repeated the high points of her original memorandum of March 7, and agreed only to four months' truce, during which she would not increase her forces on the Rhine "provided similar commitments are made" by France and Belgium. The French, British and Belgian military commands exchanged letters immediately guaranteeing mutual defense in the event of attack, after a British Cabinet had gravely considered the implications of the answer.

Despite surface indications, actual outbreak of war still seemed a long way off. A further consultation of the Locarno Powers was called in Geneva, April 8, simultaneously with the meeting of the Committee of Thirteen of the League of Nations.

As those meetings opened, Great Britain seemed little disposed to act hastily with regard to Germany. Instead, she engaged in an open quarrel with France over steps leading to the application of oil sanctions against Italy, which nation had shown no disposition to heed the demand of the League of Nations that fighting in Ethiopia cease forthwith.

❖ ❖ ❖

SIDEPLAY: Several more significant, although less apparent, steps were being taken while these negotiations were going on.

On March 22, Austria and Hungary met with Italy, and renewed a treaty signed in 1934 in which Austria's independence was reaffirmed, and protection offered by Italy and Austria to Hungary.

Until the rupture of the Locarno treaty, France was certain of military assistance in case of dire need, from Czechoslovakia, Yugoslavia, Rumania, and Turkey, and probably from Italy as well.

One week after the Rome treaty had been re-signed, Austria repudiated her agreements under the Treaty of St. Germain and proclaimed universal military suffrage, with the forces divided into two classes: "reliables", who will

be armed, and "non-reliables", who will not, but who will receive training nevertheless.

Presumably, of course, Italy's guarantee of Austrian independence for the past two years has been solely a measure to prevent the alliance of Austria, Hungary, and Germany into a Pan German union once again.

The attitude of the Little Entente toward the rearmament move however seemed inspired by another fear entirely. All three smaller powers entered vigorous protests; and all were calmly ignored.

In the same week, Turkey served notice that she was anxious to avoid any rupture with Germany, her best customer, but that without insisting upon becoming a party to any measures with regard to Germany's reoccupation of the Rhine, she would definitely feel at liberty to demand refortification of the Dardanelles, in the event Germany's move escaped retaliation.

Poland continued to reaffirm that she has satisfactory treaties with Germany, France, and Russia, and that she does not favor any warlike gestures on the part of any of her friends.

❖ ❖ ❖

French Elections: At home, France was to be confronted in April with her most unenviable task . . . the national elections, which begin on April 26.

The elections are to select members in the Chamber of Deputies, which normally seats 615 members.

Nineteen different parties are now represented in the Chamber. Several are not.

These groups again are divided broadly into the Right, Center, and Left. The Left groups control 333 seats, the Center control 151 and the Right 71.

There are 10 Communist members on the extreme left, and 10 Independent members on the extreme right.

The result of the elections is certain to prove significant in influencing France's attitude toward Italy and Great Britain. That a choice must be made seemed, early in April, inevitable.

The Left Wing is definitely a pro-League-of-Nations group, and united in that respect if no other. The Right wing is as anxious as the Left for some form of government which will mean more direct action in international affairs.

Thus, it should be evident that many of the uncompromising speeches made during the past month by French statesmen, both from the Right and Left, may be due for revision, once the elections are out of the way.

❖ ❖ ❖

Africa

Italy's drive in Africa was highly successful in two respects. The Ethiopian forces were beaten and disrupted, and Great Britain was made to see the possibility of Italian occupation of the territory surrounding Lake Tana, source of the Nile that flows into British-controlled Egypt.

Harrar and Jijiga fell, the occupation of the Aussa territory was completed, Dessye was apparently doomed, and Addis Ababa was bombed, machine-gunned and badly frightened. It was even reported that Haile Selassie had shaved off his beard as a disguise in retreat.

So Great Britain began to lose interest in pressing for an immediate settlement of the Rhineland problem, and to concentrate once more on her demand for peace or more sanctions in the Italo-Ethiopian embroglio.

By the time the Committee of Thirteen met again on April 8, Britain's Foreign Secretary Eden presented a list of startling charges that Italy had broken her pledge and was using poison gas. Further, he charged, a British Red Cross unit had been destroyed by Italian bombers in Ethiopia.

Italy countered easily, after France had vigorously fought against pressing for additional sanctions.

Italy charged that the Committee of Thirteen was not legally entitled to pass upon the question, and the committee appointed a sub-committee to make an investigation of the Committee of Thirteen's legal powers in that matter.

❖ ❖ ❖

Far East

In the Far East, Soviet Russia and Japan continued their squabble over the counter of the buffer State, Outer Mongolia, which Russia admits is under her protection, but also affirms is a land over which she gladly concedes China's sovereignty. Outer Mongolian border incidents were reported with increasing frequency, but Japan created a diversion by accusing Russia of having badgered China into a mutual assistance treaty.

Russia and Nanking both denied that any such agreement was in existence, and the Soviet countered with a charge that Japan herself had forced China to conclude secret agreements against the Soviet.

These charges also were denied.

It became entirely clear, however, that the events of the forthcoming month in the Far East will be more and more concerned, not merely with the presence of communism in Outer Mongolia, but in China proper.

Japan's deathly fear is not Russia as a nation, but the idea of communism, which she believes threatens her very life.

Russia's fear in the East is less Japan as a nation, than a growing antagonism to communism in a Japanese-controlled China.

The signs of a more vigorous Russian diplomacy in the Far East became unmistakable upon the ratification of the Franco-Soviet treaty on March 12 by the French Senate, leaving Russia more free to ignore the possibility of a clash on her western front.

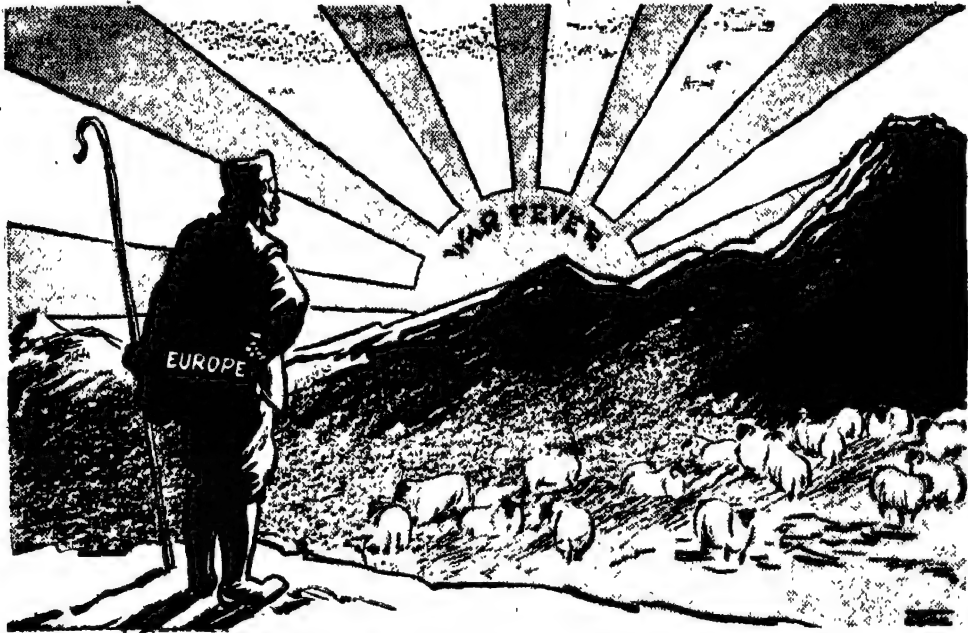
This would seem to leave Japan and Germany as natural allies, if it were not for one thing: Japan still exercises control over a major share of the former German possessions in the Far East, and much as the two nations admire the strong central traits in each Government, Japan has shown no eagerness whatever to relinquish her hold on the German-mandated areas, despite her resignation from the League of Nations.

❖ ❖ ❖

Latin America

On April 8 at Washington, with the selection of Secretary of State Cordell Hull as chairman, representatives of twenty of the twenty-one republics forming the Pan American states constituted themselves a commission to prepare a preliminary agenda for the inter-American peace conference to be held this spring in Buenos Aires.

The actual date for the conference will be determined by consultation between the members, but late June seems the likely time.

The twenty-first state was Paraguay, which had given every indication that its representatives would join the

"A red sky at morning
Is the shepherd's warning . . ."

—*Glasgow Record*

commission as soon as they could be spared from the pressing business of converting Paraguay into America's first totalitarian State under the leadership of Colonel Rafael Franco, Chaco war veteran and popular military hero.

A modified "League of Nations Covenant" for the Americas, but with no provisions for economic or military sanctions, is the underlying aim of the conference, suggested as the means for obtaining formal ratification by all twenty-one states, of a protocol adhering, however mildly, to the principle of collective security.

Since several of the American republics already are members of the League of Nations, it is safe to conclude that no proposals which might seem to modify the League's provisions by setting up conflicting agreements, will be entertained.

❖ ❖ ❖

Dictatorship in Paraguay: Colonel Franco's decree establishing Paraguay the newest one-party State in the world was issued on March 10, less than a month after the revolution which ousted the régime of President Eusebio Ayala on February 17.

The Colonel, eleven days prior to that (February 6), had been exiled by the Ayala Government on the charge of "communism."

Dictator—or *President* Franco, as he prefers to be known—gave formal assurances immediately that the aim of his Government, which he said had received a mandate from the revolutionaries, was neither fascist nor communist, but looked toward the establishment of a republic, democratic in principle, for Paraguay's 885,000 citizens.

The Government, which avows itself as temporary in nature, will conduct itself for the coming year along lines more nearly resembling the operating theory of the Italian and German régimes than the Soviet.

The first move made by Revolutionary Leader Franco on March 10 was the issuance of an order calling up six classes of army reserves to "fill places made vacant in the recent demobilization."

Immediately afterward, the provisions of the decree suspending political liberty of action were promulgated.

The chief provisions were for a one-party State, which for a year at least will control the entire functions of society—economic, political, and military—within the country's borders.

All political activities of whatever nature, except those of the State itself, are suspended for one year. All citizens are warned to be prepared to devote their persons and their assets to the service of the State for whatever peace-time duty may be required of them.

Foreign capital is frowned upon, except when it comes under the control of the State and remains upon deposit inside the country.

All controversies between capital and labor are to be settled by a newly-created National Labor Department, which will operate as a section of the Ministry of the Interior.

❖ ❖ ❖

Chaco Peace Conference: These decreed purposes of the new Paraguay took the Chaco peace conference, then in session, slightly by surprise, as the representatives of Argentina, Brazil, Chile, Peru, and Uruguay were, in collaboration with the United States, drawing up notes extending formal recognition to Franco's de facto government.

They had previously been assured that the new Paraguayan Government "will faithfully carry out international obligations and pacts in force as well as with regard to democratic principles which will guide the new organization of the State," and these assurances were repeated in identical telegrams to representatives of the six mediators.

After consultation, all agreed to recognize the Franco Government and to accredit diplomatic representatives.

In the note of recognition signed by President Roosevelt, and delivered March 14 by United States Minister Finlay Howard at Asuncion, this country states its pleasure at the assurance that prisoners of war would continue to be repatriated and that other peace treaty provisions would be followed.

The second paragraph of the note, neatly summing up the understanding on which recognition is granted, reads (in full):

"This Government has therefore reached the conclusion, after consultation with the governments of the other American republics represented at the peace conference at Buenos Aires, that it is the expressed intention of Your Excellency's Government to respect in every way the peace protocols signed in Buenos Aires on June 12, 1935, and on the 21st of January, 1936."

The peace protocols referred to here called for immediate cessation of hostilities in the Chaco, then almost entirely occupied by Paraguay, and for the reduction of Bolivian and Paraguayan armies to a maximum of 5,000 each.

On March 4, Bolivia had paid £132,231 to the Chaco peace mediators at Buenos Aires, in payment for the upkeep of Bolivian war prisoners in Asuncion, to be paid over to Paraguay immediately after the final Bolivian prisoner had been sent home.

A curious aftermath of the Gran Chaco warfare was noted on March 25, when President Roosevelt's embargo on shipments of arms or munitions to Bolivia or Paraguay, dated May 28, 1934, was held unconstitutional by Judge Mortimer W. Beyers in the

United States Court for the Southern District of New York. He declared that the power to do so had not been properly delegated to the President by Congress, and dismissed complaints against several American airplane and shipping concerns, charged with violating the embargo.

He criticized the delegation of power in that it authorized the President to promulgate an embargo upon the basis of his own opinion, instead of imposing upon him the restriction that his action must be based upon facts determined through hearings of a Congressional nature.

In other words, the Federal Judge held that Congress could not delegate to the President power to act in a manner which differed materially from the limitations imposed by the Constitution upón Congress itself.

The discussion, except as it related to dismissal of charges against the embargo violators, was academic, of course, the usefulness of that particular embargo having long since passed. But it was thought to have a bearing on possible future neutrality legislation.

❖ ❖ ❖

BRAZIL AND COMMUNISM: Constitutional guarantees were temporarily suspended in Brazil during the month. Brazil, with nearly fifty times as many citizens as Paraguay, and already faced by serious competition for the world coffee market, found communism spreading rapidly not only through her peasants, but to members of both her upper and lower houses of Parliament.

It was an alarming situation—alarming to the five percent of the population which controls Brazilian capital and supports the régime headed by Brazil's Constitutional President, Getulio Vargas.

A real revolt on the coffee plantations would accomplish Brazil's financial downfall with rapidity, since the coffee bean still represents 75 percent of her foreign trade.

After three weeks of excitement, President Vargas declared that a state of emergency existed. This period began with the arrest of Luis Carlos Prestes, leader of a revolt last November; was signalized by the sudden death of an American citizen, Victor Allen Barron, 27-year-old son of a New York City resident; and came to a climax with the detention of at least one Senator and two Deputies on charges of treason.

A state of rebellion had existed, with semi-military rule, since the November revolt in which Sgr. Prestes took part.

On March 21, two days before the rebellion was due to expire, President Vargas signed a decree suspending constitutional guarantees for Brazil's 47,000,000 people, and ordered martial law for ninety days beginning March 23.

Before the decree was issued, the Brazilian Cabinet had met at President Vargas' summer home at Petropolis, fashionable Rio de Janeiro suburb.

The Brazilian excitement centered about Harry and Machla Berger, arrested January 1 on the charge of being the active heads of the Third Internationale in all South America.

Victor Barron was arrested by Brazilian secret police, who declared they had followed Berger's police dog to Barron's "hiding place." On March 4, Prestes was arrested. The police declared that a case against him had been revealed by Barron.

The following day, a window on the second floor of police headquarters at Rio de Janeiro was thrown open, and through it Victor Barron's body hurtled, crashing on the pavement below.

Police ambulances took the man, his skull crushed, to an emergency hospital

where he died without regaining consciousness. The communication declared that Barron had committed suicide in remorse over having betrayed the hiding place of Prestes.

Charges were made on the floor of Congress by Vito Marcantonio, representative from a New York City district, that Barron had been murdered, and that Hugh S. Gibson, United States Ambassador to Brazil, had assisted in his fellow countryman's capture and detention.

On March 26 the House Foreign Affairs Committee exonerated Ambassador Gibson of any complicity in Barron's death and brought out the fact that Gibson had obtained medical aid for him when it was found he was suffering from tuberculosis, and had arranged to send him to the United States on a steamer leaving March 6—the day after his fatal fall.

The Argentine: In Buenos Aires, tabulation of votes for the sixteen seats in the municipal Chamber of Deputies, completed March 11, showed that the Radical Party had gained control of the municipal government from the Socialists for the first time. Final results show eleven Radicals and five Socialists elected. The election took place March 1.

Elections to the National Government did not result in a complete loss of control by President Augustin P Justo, but the Radical vote was sufficiently large throughout the country to assure the candidacy of Leopoldo Melo, Radical Minister of the Interior, at the next elections.

Although the Argentine is still having difficulty with foreign trade, American restrictions against Argentina's meat being one of the commercial subjects now under discussion between the two countries, collections for the first two months of the year in internal revenue taxes were double the total collected last year, amounting to 26,000,000 pesos.

Previously the Provincial Governments had been permitted to collect internal revenue taxes and remit to the Central authorities. This year the National Government's own agents are making the collections.

Nicaragua: A reciprocal trade agreement with the United States was signed March 11 at Managua. Duty of 10 percent ad valorem on "Peru" balsam was cut to 5 percent, with coffee, cocoa beans, bananas, cabinet woods, deerskins, logwood, crude ipecac, reptile skins, and turtles continuing on the free list.

Nicaraguan duties on American proprietary and patent medicines were cut 20 percent, as was the duty on varnishes. Other cuts ranged from 17 percent on lard duties to 40 percent for ready-mixed paints, raisins, dates, and similar pressed fruits.

The agreement contains a "most-favored-nation" clause and is the eleventh to be signed by the United States.

Calles in Exile: A stern-featured man with memories and a mustache alighted from a 'plane at Brownsville, Texas, on Good Friday to take up his abode in the United States. As the 'plane winged back to the country he had dominated for eleven years, he explained to American reporters:

"I was combatting Communism. A respect for democratic principles would be the best thing that could happen to Mexico."

AROUND AND AROUND THEY GO
—Richmond Times-Dispatch

General Plutarco Elias Calles, Mexico's Iron Man and President of that country until 1928, had been arrested by Government officers the night before as he lay ill with influenza in his hacienda at Santa Barbara, Mexico. General Rafael Navaro, chief of operations in the Valley of Mexico, accompanied to the house by twenty soldiers of the Nineteenth Infantry Regiment and eight policemen, entered his bedroom.

"By order of the President of the Republic, you are under arrest," General Navaro said. Calles was calm, resigned, polite.

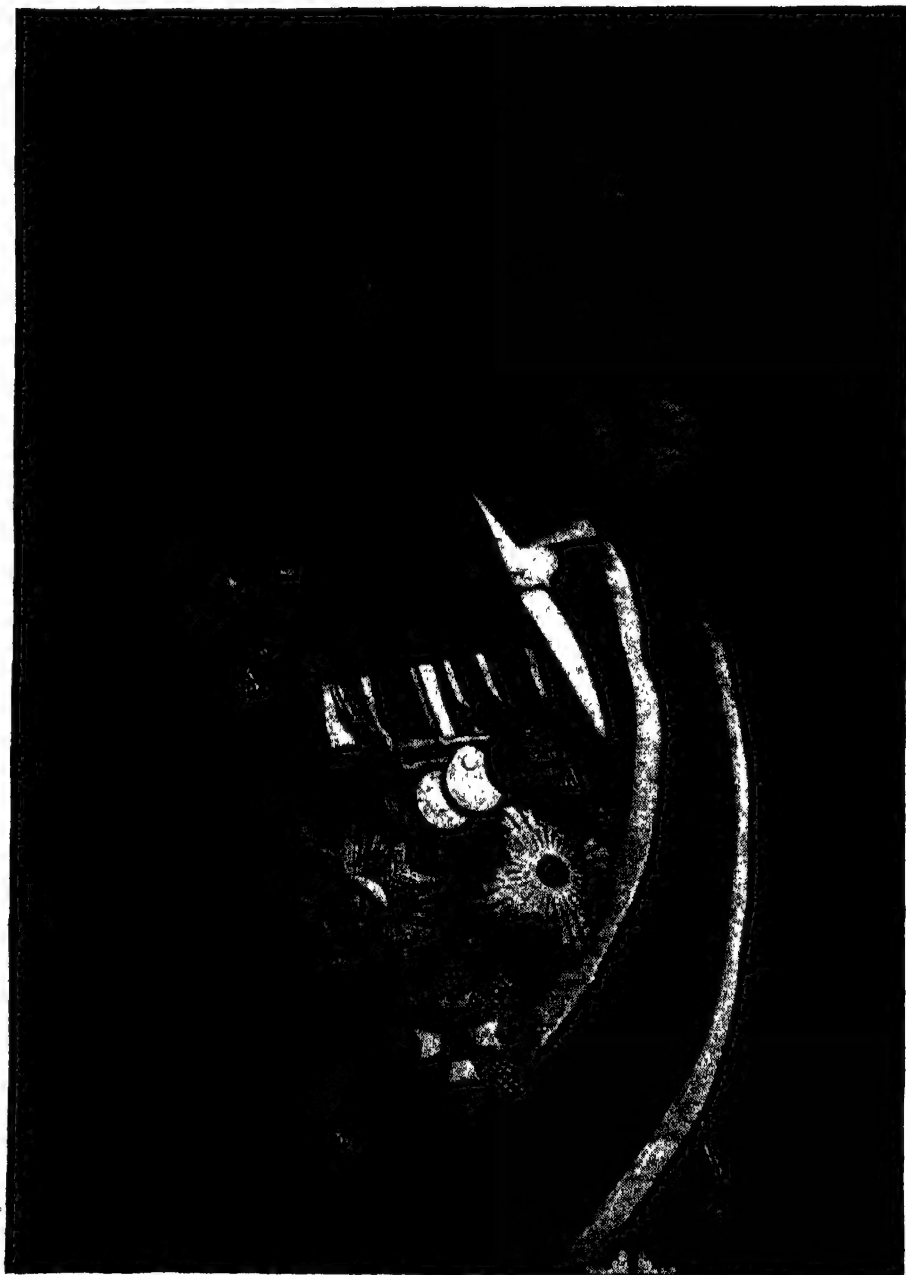
The former President was treated with the utmost civility. He was even allowed to use his own car in riding to the airfield, where a special 'plane awaited him and four of his chief lieutenants. Newshounds noted as he alighted in this country that under his arm was a copy of Hitler's "Mein Kampf," bible of Nazi Germany.

"The departure of General Plutarco Calles with Luis Morones, General Melchor Ortega, Luis Leon and others for Brownsville is the consequence of threats to the public welfare which forced the Federal Executive to take this action," read an official explanation of the exile made public by the private secretary to Mexican President Lazaro Cardenas.

Calles, born a peon, ruled Mexico with an iron hand from 1924, when he was elected President, until 1935. He was no longer President after 1928, but behind scenes he dominated the country.

When Cardenas was elected in 1934, Calles was his friend and supporter. A year later, they divided on labor issues. Cardenas went left, Calles right. Cardenas proved to be no puppet. Calles found his advice ignored. He came here for a period of voluntary exile, was greeted on his return by a hostile demonstration, but remained. He was blamed for the subsequent bombing of a Vera Cruz train.

Energetic, iron-willed and difficult to cross, Calles incurred the animosity in Mexico, not only of labor, but of the Catholic Church, against which he pitted his strength in politics, eventually closing churches throughout Mexico.

With his former adviser out of the way, President Cardenas continues with his Six-Year-Plan. It includes socialistic education, redistribution of land among farmers, nationalization of certain industries and utilities and improved housing for workers.

KOREKIYO TAKAHASHI

". . . . a very old man stabbed to death in his sleep."

an intimate sketch of the late Finance Minister of Japan

By Riichi Takahashi

MY FATHER, TAKAHASHI

MY FATHER, Korekiyo Takahashi, the late Finance Minister of Japan, was a small boy, two or three years old, when the earthquake called the Great Shake of Ansei struck Japan. The catastrophe was just as bad as the Japanese quake of 1923.

They found the little boy, my father, pinned in the wreckage of his house, but he was unharmed and quite at ease. In fact, he was sound asleep, despite the discomfort and danger of his position.

This and other incidents later caused the people of Japan to say that my father was born under a lucky star, as you would call it in America. It will also serve to illustrate the perfect equanimity which distinguished him even at that early age.

My father was born in 1853 in Tokyo, which was then called Yedo. He was the son of Mr. and Mrs. Shoemon Kawamura, and his father was an artist employed by the Tokugawa Shogunate.

Under the feudal system then in effect, the Shogun was the overlord of the highest ranking lords under the Emperor. Next to the lords came the Samurai, or fighting men, and after them the Ashigaru, or vassal Samurai, and then the farmers and merchants.

My grandfather was well able to support his family, but it happened that shortly after he was born, my father nevertheless was adopted by Mr. Koretada Takahashi, a vassal Samurai under the feudal lord at Sendai. Although Mr. Takahashi was poorer than my grandfather, he was considered of nobler blood in those days, and so the adoption was deemed an honor for my father.

I might explain why it took place. Mr. Takahashi had just lost his only son, and there was a tradition among the Samurai that the family name must be perpetuated. For this purpose, my father was adopted, but scarcely had the adoption taken place when Mr. and Mrs. Takahashi were blessed with another son of their own. So they sent the little boy, my father, away. He went with Mr. Takahashi's mother to live, it being the custom for one to remain always in the family by which he was adopted.

My father greatly loved this noble woman, and every night before retiring, he would bow before her picture. He told me once that to her he owed everything—his success in life, his reputation and his health.

Mrs. Kiyo Takahashi—that was her full name—taught my father first to be always optimistic, to fear nothing, never to worry and to be always certain that God would never fail to help one in a noble endeavor. She taught him particularly never to fear death.

"If you are not afraid of death, so

much more will you enjoy living, and so much less anxiety will you feel," she said.

My father so well understood these words that in his later career he expressed always his true convictions, never fearing the consequences, and he considered this the first attribute of a statesman. For this quality, he deeply admired the American President Abraham Lincoln, and the lives of the two men were in many ways alike.

Mrs. Takahashi also taught my father to rise early in the morning when the air was clear and fresh and one could enjoy the sunrise and other sweets of dawning. Most great men in history, she said, were early risers.

After the fashion of a Samurai lady, Mrs. Takahashi believed firmly in harakari, or seppuku, which is a form of self-inflicted death among the noble Japanese. It is not what the Americans call suicide, for it never results from a desire to escape a great sorrow. The Japanese who commits harakari disembowels himself with his sword as a protest against an insult to his country or his Emperor, or to the spirits of his esteemed ancestors. Mrs. Takahashi taught my father to be ready to commit this act whenever the circumstances demanded.

He Is Lucky

I have said that my father was considered a lucky man, and now I shall illustrate again how fortune favored him. Once when he was a small boy he attended the funeral procession of a noble. Seeing a friend across the street, he ran to greet him, falling, it seemed, directly in the path of the mounted honor guard. Bystanders cried out, for they thought surely the little boy, my father, had been killed. However, he escaped with only the imprint of a horse's hoof upon his kimono. For this my father largely thanked the horsemanship of the rider. He greatly admired horsemanship and indeed this was a cardinal talent of the Samurai, who was expected to ride well, to shoot the bow well, and to cut well with his sword.

On another occasion my father was playing hide-and-seek with some boys of his own age around a shrine. He hid himself inside. Meanwhile, a noble lady came there for worship, and her guards scattered my father's playmates. Unknowing, my father finally emerged from his hiding place to confront the noble lady.

"My!" he said. "You are a beautiful lady! And you have such a pretty dress!"

People nearby were aghast at his temerity, for it was a terrible breach in those days for a boy of lower rank to address a noble lady. Indeed, it was entirely likely that his parents would lose their heads. But the lady liked my father, and even invited him to dine at her house with her husband, a Grand Duke. You may be sure my father went. He went, in fact, in a new kimono, which he was obliged, by the poor circumstances of his foster parents, to purchase with the help of his real father and mother.

This good fortune made my father believe more than ever that his life was indeed well-fated. But he has said to me many times:

"It is unhealthy and foolish to be pessimistic, in any event, for there is nothing to worry about in the future, and nothing you can do about the past. Should trouble come, then one must rely on one's wit and courage."

There were no schools in Japan in those days, and my father was sent to temple to study the Chinese doctrine of Confucius. Buddhism, not Confucianism, was the dominant religion in Japan in those days, but my father went to

study only the words of Confucius. Today, I would say that Japan is 50 percent Buddhist and 50 percent Christian; and as for my father, in his later years, he was of both religions, since fundamentally they are alike.

My father told me he would arise at midnight and walk three miles to the temple, which reminds one of the boyhood of your Abraham Lincoln. Once I asked him why he went to school so early, and he said, "My son, it was because I always wanted to be the first at my lessons."

Very often, when he would find it difficult to learn, my father would cry, and the priests would try to comfort him, saying soft things. But this angered my father, for he felt that a Samurai boy should not be pitied, and once when a priest went so far as to offer a tangerine to soothe him, my father jumped up and bit him in the nose.

When my father was ten years old, Mrs. Takahashi sent him to the temple to live and so complete his studies. She went there every day to inquire about him, but she gave strict orders that my father was not to see her, or even to know that she had visited. This was in order that he might keep his mind on his studies, and also to spare them both the anguish of parting.

After he had worked hard for three years, the priests elected my father to study further in America. This was agreed to by the lords, who in such cases paid all the expenses. My father, overjoyed, went to Yokohama to study English.

There were few English dictionaries in Japan at that time, and Oda, an English master, had one of them. So every night my father would visit him to read it, and within three months he had copied the whole book. Does this not remind you of Abraham Lincoln?

When the time came for my father to go to America, Mrs. Takahashi gave him a Japanese sword.

"My boy," she said, "you are a young Japanese, an honorable subject of His Imperial Majesty, the Emperor. For him, and for his honor, you must be ready to die. Do nothing to disgrace your country or your Emperor, always protect their honor. If you fail to do this, then you must die by this sword."

He Sets Sail

My father's experiences in America were not pleasant. He set sail when he was nearly 13 years old with a fellow student named T. Suzuki, with whom he had become acquainted while learning English. Accompanying the boys was an American, in whose care they were placed by the provincial government at Sendai. It was arranged that the money for the boys was to be remitted to this American.

However, he proved to be a very dishonorable man, and he spent all the money intended for the boys, telling them that it had not been sent. What was worse, when the boat landed at San Francisco, he made the boy, T. Suzuki, go to work for him, and the poor young man was obliged to work so hard and until such late hours of the night that he had no time for his American studies.

As for my father, he was sold under a three-year contract into the service of a Mr. Brown, who was a millionaire living at Oakland, California. At first my father did not know he had been sold. Then one day he asked Mr. Brown if he could go to the city to hear some lectures, since by that time he could understand them.

Mr. Brown said he was sorry but he had just bought my father for three years of work as a house servant. My father was greatly shocked and he said, "Why, that man was a terrible kidnapper!"

America's Civil War had just been fought, and there was supposed to be no more slavery. My father told Mr. Brown of this and said further that he was an admirer of Abraham Lincoln, but that he could not understand this treatment of a Japanese subject.

Mr. Brown was a kindly man. He said he would let my father go, if the American would reimburse him for the unexpired term of my father's service. But this the other man declined to do.

Now my father got a big idea which he thought surely would win him his freedom. He broke two lamps in the house every day, thinking his employers would discharge him. But they didn't. Then he broke five, but his employers only told him to be more careful.

At this time, a beautiful girl relative of Mr. Brown gave my father an American Bible.

"The words in this little book will help you in your trouble," she said.

Some time later, in Japan, an American missionary gave my father another Bible. This my father read and came to treasure, but the book the beautiful girl presented to him he never had time to study, for Mr. Brown kept him too busy.

Then one day a letter came from T. Suzuki telling my father that the American who had sold him had been convicted for that cruel deception and that now both boys could go home.

* * * *

The home-bound boat was still at sea, when a great change came in Japan. His Imperial Majesty, the Emperor Meiji, declared the end of feudalism. Hereafter, he decreed, he would govern his people directly instead of indirectly through the feudal lords. This act became known as the Restoration of Meiji, and it meant new equality and liberty for the Japanese people. From that day in 1868, Japan has made remarkable progress, both in our own country and abroad.

Now my father, when he returned home, was fifteen years old. Since this was then the age of manhood in Japan—today it is 21—it was altogether proper that my father should be entertained in a geisha house. And in such a place, his friends gave him a big welcoming party. Many beautiful geisha girls were there, and for Americans who have not been to my country, I can describe them best as so many beautiful Madame Butterflies.

My father's friends came to the party handsomely dressed in their finest kimonos, with swords hung at their sides. But my father, who had come

A Geisha Girl

to admire American simplicity, was dressed in a plain American suit. The girls paid no attention to him. This greatly bothered my father, for he did not like what you call in America an "inferiority complex." So the following week he gave a party himself, at which were the very same geisha girls. Now he wore his finest raiment, and he proved to be immensely popular.

"I am the same man whom last week you ignored," he told the geisha girls, by this meaning to impress upon them never to judge a man by his appearance.

Abraham Lincoln was not pretty to look at, and yet he married a beautiful woman. Surely, she must have seen him for the man he really was, and on this subject my father felt deeply.

In those days there was in Japan only one government school called Kaisei. There my father obtained his first employment as a professor of English. Discipline at the school was severe, and the students one day went on strike, refusing to tolerate such treatment. My father agreed with their objective, feeling that students should be treated almost as equals since one day they might gain great distinctions, even overshadowing their instructors. He gave a speech in which he made this known, at the same time telling the students to be respectful to their professors.

My father made known also that he admired American liberty and believed Japan should borrow that ideal, but he cautioned against importing any foreign system without first seeking to adapt it to the needs and environment of one's own country.

The students loudly applauded my father, but the professors were quiet. My father said later that his ideas were too big for the dead spirits of the professors, who were so fond of their cut-and-dried-theories and who knew nothing else at all. My father lost his job.

Now began what he called his "vagabond age." There was a depression in Japan, and finding no work, my father devoted himself to the pursuit of pleasures.

While you may be sure that Mrs. Takahashi, his foster grandmother, was not at all fond of this idea, she did not interfere in the least, saying that he would find out the futility of pleasure for himself.

All during those troublous days, his companion was the American Bible, which a missionary had given him earlier. Every day, he read from it and later he said the words in that book made him successful.

At length, requiring some employment, my father obtained a job as ricksha man for a geisha house. This was not a dignified calling but it was all my father could get, and he did not keep it very long. It chanced that one of his old friends came upon him in this employment, and suggested that he seek work in Kanazawa, a town about fifty miles east of Osaka. This my father did, and again he became an English teacher.

At that time, there was no more than a handful of English teachers in all Japan who knew the language so well as my father, and he was highly paid. Saving much of his earnings and making wise investments, he soon was able to set himself up as a stock broker. Those were the early days of the stock market in Japan, which was just emerging from feudalism, and there were many opportunities for men who could see them. My father made an enormous fortune, and with it came new friends and influence. When he was thirty, my father was chosen to head the first patent office of the Imperial Government.

In 1886, while he still held the patent

incumbency, my father was persuaded by a close friend to invest his entire fortune in a silver mine near Lima, Peru. After having conferred with Mr. Kaoru Inouye, then Minister of Agriculture and Commerce in Japan, and having received favorable reports from the mine owners in South America, my father set about getting the necessary labor.

This proved difficult, for the undertaking was regarded as hazardous, and none but jailbirds and other villains offered their services. But my father accepted them, having no alternative, and at length was ready to depart. It was an ill-fated enterprise, beginning sadly with the death of my father's foster grandmother, and ending with his ruination. I might say at this point that at the time of his departure my father was married. His wife and two sons he left behind him.

The mine was located at the foot of the Andes Mountains, and there the party went, traversing dangerous mountain trails on horseback. My father led the procession. Once his horse, becoming frightened, reared at the top of a cliff and plunged to his death below. My father very nearly went with him, but the straps of his knapsack caught upon a protruding rock, and he was soon hauled back to safety. At another point, the party came upon a chasm, passable only by a shaky bridge of logs. The workers demurred at crossing, but loudly singing Japan's national song, my father bolstered up their spirits and the party went on to the mine.

A hasty examination of the place in the dark disclosed the presence of much silver dust, and my father eagerly began operations. But the silver never was found. My father found only that he had been fooled, and even so by a friend. He learned too that this friend had obtained a commission from the South American owners of the mine, although long before they had found the property to be worthless. As for the presence of the silver dust, it had been put there deliberately by the villainous former owners.

Now the workers knew the enterprise was a failure, and like the jailbirds they were, began noisily to demand a swift return to their own country. They were angry, and there was no discipline in the camp. But it may be said for the Japanese that they are a patriotic people, no matter how far some may have fallen socially. And so this way my father spoke to them:

"Although our enterprise is a total failure, and I am ruined far worse than you are, we have gained a costly experience which is valuable. Let it be said that we are honest men, and although we were fooled by liars, it is far better to be fooled oneself than to fool another. To follow this rule may be the slowest way to succeed, but it is also the most certain.

"Now we are all in South America, but our flag, the Rising Sun, waves high upon the mountain top, and plainly it calls to us to behave like true Japanese subjects. Tomorrow, you will see the Rising Sun in the East. Today you will be cheerful and full of new hope, for the Rising Sun is the symbol of endless aspiration and dauntless spirit."

This made the hearts of the men glad once more, and they turned their footsteps homeward with no more grumbling.

He Is Ruined

At home my father found himself financially ruined, and with his wealth there went his reputation. Now people said he was a reckless speculator, and they were disdainful of him. His fine house he sold, and he and his family went to live in a tenement in a slum.

A man can be happy, however, for his real friends. Though my father had been reduced to poverty, there were those who really knew him and remembered. J. Saigoh, S. Matsukata and K. Kawada were among them. Through the last-named, then president of the Bank of Japan, my father obtained temporary employment with the bank.

He was then forty. Life, he said, really begins at forty. I have heard that there is an American book on this subject, but very long ago my father said it—when he was forty years old and a poor man in a temporary job with the bank.

His position then was as a sort of superintendent in the construction of a new building, to be modeled after the Bank of England. The contractor was Japanese, but most of the materials were brought from foreign countries at great expense.

My father studied this. Japan in those days nominally was on the gold standard, but actually our country was influenced by the fluctuations of the silver markets in China. My father found that the canny contractor was billing the bank for the foreign materials at times when the exchange rate was unfavorable to our country. But the contractor did not pay for these materials himself until the exchange again was favorable, so making an additional profit. This practice my father ended. While it might be all right in private business, it could not be countenanced for a government-owned bank, or for any other project of the public, he said. This the people liked, and when the building was completed for less than the estimated cost, my father had regained his reputation.

New honors came to him. When the Russo-Japanese War took place, he was already president of the Bank of Japan and vice president of the Yokohama Specie Bank. He was fifty. Less than eight years before he had held a temporary position and was poor.

Now he went abroad to borrow money to finance the war for Japan. He met Mr. Schiff in America; in England, Lord Rothschild; in France, M. Poincaré, if I recall correctly. And from them he got much help. The war over, the Emperor Meiji made my father a baron, and fifteen years later he became a viscount. But these titles he transferred to his eldest son, and lived, as he said, much more happily as a plain Japanese "mister".

He Rises Politically

My father soon became Finance Minister of Japan. Then, in 1910, following the assassination of Premier K. Hara at Tokyo Station by a young rascal, he became Premier of Japan. He was several times Finance Minister and once the Minister of Agriculture and Commerce. He was also President of the Seiyukai Party in Japan, for the betterment of which he gave most of his fortune.

For many years, the Seiyukai Party was the majority political group in the House of Commons. The name of the minority party which recently triumphed in the Japanese elections was Minseito. Of course, today neither party is what it was originally intended to be, and I might add that in his last days, my father was not active in the party, standing aloof from political quarrels, although he was again Finance Minister of Japan. I might say, too, that the Seiyukai Party originally was the party of the farmers and was regarded as liberal because it was willing to try new things, like the American Roosevelt. The Minseito Party represented the merchants and was regarded as conservative, like the American Hoover, being slow to try new things.

Of course, the Army and the Navy, which recruit their men from both the farmer and the merchant people, exercised their own political influence. Sometimes they agreed, and sometimes they did not.

When my father was active politically, he made many campaign speeches which were very well received. Always in these talks my father confined himself to the issues involved and never spoke ill of anyone. To discuss personalities in a campaign, he felt, was like the trifling gossip of housewives gathered about a well, as in the old days, to do their washing.

But I do not wish to talk too much politics, since my father would not like it. Those matters he left in his office. The incidents of which I write my father and I discussed together in our villa at Hayama where we went when the pressure of business was not too great.

Hayama is located thirty miles south of Yokohama. About ten years ago, the trip from Tokyo took two hours. Today it takes only fifty-five minutes, showing the great improvement in our railroads. This railroad line, like many others, is now electrified; throughout the Empire the engines are all made in Japan, and the trains are so punctual you can set your watch by them.

There is a difference, too, in the scenery, from what it was a few years ago on the way to Hayama. Formerly, one looked out of the train window at beautiful fields of green. Today, there are factories and factory smoke curling upward to the sky. It is not so pretty, but it shows progress.

At Hayama my father usually would relax and spend much time with his family, children and grandchildren. According to the habit he had acquired in childhood under the training of Mrs. Takahashi, he would arise very early in the morning. He would take a walk in the garden first, and then return for his morning bath.

We spent a great part of the day talking and walking on the beach. But my father did not, in fact could not, swim. Once when he was a little boy, he had nearly been drowned in a swiftly-rising tide, and from that day he did not like the water.

When my father was still president of the Seiyukai Party in Japan, the famous rice controversy occurred.

Rice to the Japanese is like bread to the Americans. Because of its importance, therefore, my father favored restricting the operations of brokers who forced the prices up and down at will. Sometimes they would sell and drive the price so low that the farmer could get nothing for it. Then they would buy at this low figure, and force the price so high that the people could not buy it. While wheat in America fluctuates in much the same way, I understand that the price of bread into which the wheat is made has been almost the same for twenty years.

Now Mr. Hamaguchi, then president of the Minseito Party, did not wish the brokers to be interfered with, and he called on my father in the House of Commons to explain his opinion of the rice situation.

"Ask the rice," my father told him, meaning by this that in the nature of rice and its importance as a foodstuff would be found the answer to the problem.

Today, while brokers are still permitted to operate, there are restrictions on their ways of doing business.

* * * *

All the things my father did, he did in the interest of His Imperial Majesty, the Emperor, and for the benefit of the people. If it was necessary for him to impose or advocate a hardship, you can be certain he was ready to share it.

Two years ago, he gave up smoking

—almost all his life his most favored indulgence. Being Finance Minister, he felt obliged at that time to make certain reductions in the national budget, and this met with opposition from those who said they needed the money in their particular functions.

"I, too, can make sacrifices," my father said, "if the occasion demands it."

So as a symbol of this willingness, he gave up smoking.

My father was not a believer in large government contributions for the poor, thinking that it weakened their initiative and even their ability to get along by themselves. A year before his death, a delegation of thirty village magistrates from different parts of Japan, called upon him in his office in Tokyo, demanding larger relief appropriations.

"Why do thirty of you come?" my father asked them. "Why not only one? If it cost each of you $50 to come here, by not coming you would have saved $1,500, and that would feed many families for a while."

Where relief money was urgently needed, of course, my father believed in providing it, but he preferred that this be done in strictest secrecy, which is the way the Rothschilds helped the poor in England. He did not wish the Japanese people to lose their independence.

* * * *

I last saw my father on October 24, 1935, when I sailed for America to join the New York staff of Mitsui & Co., Ltd. He said to me:

"My son, I am a very old man. It may well be that I shall die while you are in America. Do not come home. There is nothing you could do about it. It is my wish that you remain in America until you complete your term of service. Work hard, work honestly, and never give up."

Last February, my father and Viscount Saito were assassinated. It was the work of a few young army hotheads. This, Americans must understand, for a nation must not be held responsible for what a few will do or say. In Japan there are assassins and people who cry "War!" They are Japanese, but they are not the Japanese people. The Japanese nation does not settle its differences with murder; it does not rattle its saber at the world. At home and abroad Japan wants the way of peace. Only when it must will it make war.

My father's assassins were incensed because he cut down the military budget. If they were right, I must hold them blameless. If what they did will benefit my country, I cannot regret my father's death. Yet I can see their act only as a very stupid blunder which can have its only benefit in the prevention of such things in the future.

Still the deed is done. All but its lesson must be forgotten. I see a very old man stabbed to death in his sleep. He is my father. He has esteemed his Emperor. He has served his country well. The weapons that take his life were made to protect his country from its enemies. I shut my eyes. I feel sad. Never, I hope, will it happen again. It is a disgrace to Japan.

AND THE WORST IS YET TO COME

—*Syracuse Post-Standard*

MORTGAGEE, MORTGAGOR

By LEON M. SILER

Explaining the new "borrower's market."

LIQUIDATION of mortgagors is on the wane. The foreclosure juggernaut has slowed down, though by no means has it come to anything resembling a dead halt. In the next depression there will be less picking of mortgagor bones than has added to the gray tinge of the last six years. At least the mortgage business is being streamlined toward that end.

The streamlining traces mostly to Washington, but for reasons which do not seem to invite much argument by private mortgage money, it is being subscribed to, and even aided readily by private money's managers.

The most compelling reason is that several billions of private mortgage money is painfully in need of a home, and it is costly for sums in ten figures to haggle over terms. This reason overlaps a possibly less obvious one: the fact that the 1930-1935 foreclosure tableau held up to public gaze the somewhat poisonous characteristics of certain mortgage business practices of yesteryear, and that a great many citizens were set to thinking thereby.

So borrowers who merely listened and signed in days gone by, now have ideas of their own to advance on mortgage matters. The lenders are the current listeners. It is a mortgagor's market.

The over-all interest rate reduction for the nation-wide mortgage debt of about $33,500,000,000 probably is approaching two percent as this is written. A one-year Federal-sponsored rate of three and a half percent for farm loans becomes four percent on July 1. For a total farm mortgage debt now estimated at $7,775,000,000, the average rate is somewhere between four and five percent, compared with an average of nearly six and a half percent on a peak debt of more than 9 billion dollars in the preforeclosure era. The Federal influence has established five percent as a sort of standard for home loans, on a total mortgage debt now well under 18 billion dollars. The rates for mortgages on income-producing properties such as office buildings and apartments, remain subject to more or less localized bargaining, and still vary widely on a debt totaling probably 8 billion dollars.

Stripping from the mortgage business a great variety of fees and commissions is an important phase of the streamlining process. Relegation of the second mortgage in large part to economic history, and the substitution of single, amortized, long-term mortgages for the camouflage of short-term loans with frequent renewals, has been the road away from fee-and-commission sleight-of-hand.

Fees for applications, surveys, title searches, title guaranties, appraisals, original grants, renewals—these and

numerous other garbs have been worn heretofore by bills which hard-up borrowers were called upon by not-so-hard-up lenders to pay in connection with mortgage negotiations. Few such fees will survive the surgery which the mortgage business now is undergoing.

Life will be considerably pleasanter for mortgage loan correspondents of insurance companies as well as for borrowers with the passing of the fee-and-commission epoch. The correspondents—local agents delegated to hunt mortgage business in areas where insurance concerns had no branch offices—for years were forced to depend upon fees and commissions almost exclusively for their personal earnings. The insurance company mortgage departments with which they did business would not allocate to the correspondent a portion of the mortgagor's interest payments. The correspondent was working for the insurance company, in truth, but it was up to him to pick the purse of the insurance company's customer for his pay.

It has dawned upon the insurance companies now, that this practice was not conducive to goodwill, and it is being abandoned. Though rates are lower, the pay of correspondents will come out of these rates in the future.

Perhaps it will be established, before the mortgage industry's general overhauling is complete, that the most fundamental of all mortgage procedures in the past was out of line. The Federal Farm Credit Administration thinks so, and has made loans accordingly. The FCA theory seems susceptible of application to loans on all income-producing property, and with various twists to home loans as well. It is the theory of "normal value."

Nearly all mortgage arguments relate primarily to appraisals and interest rate—one or the other, or both. Private lenders long since fell into the groove of permitting appraisals, or percentages of appraisals used in determining loan amounts, to "follow the times." This of course meant high loan values in "boom" years, low values if hard times came.

Governor Myers of the FCA has told of the departure from this practice under policies of the Federal Land Banks and the Land Bank Commissioner:

"One of the soundest things we have attempted in the farm mortgage field during the past two years has been to base our refinancing of farm debts on normal earning power. The Federal Land Banks and the Commissioner have loaned money in line with average yields and with prices that farmers might be expected to receive during the period for which the mortgage runs."

A simple way of putting it is that farmers have been able to borrow on a basis of what the lender thought farm realty values ought to be over a period of time, rather than merely what they seemed to be on some particular appraisal day. The land banks chose as a guide to "normal earning power" the commodity price levels which agriculture enjoyed from 1909 to 1914.

Governor Myers observed that the policy meant "lending with courage"; if with seeming liberality in hard times, then with seeming conservatism in boom times.

It should not be difficult to progress from farms to places of business and places of urban residence in drafting "normal value" formulas. If courage needed a bulwark, perhaps recourse might be had at not too great expense to the relative certainties of trial and error. Possibly it would even prove worth while to explore the idea of fixing home loan values on the normal

earning power of the owner over ten or twenty or thirty years, with life, health, and job insurance in the background.

There are no rolls of honor listing all the casualties in the foreclosure wars. Here were unsung dead if ever there were any. A commonly accepted figure is that five hundred thousand home owners were foreclosed in 1932 and 1933. The average debt was $3,000. Probably half as many farmers, their debt averaging $5,000, were left by the foreclosure wayside in the same years.

Because of corporate ownership uncertainties, anybody's guess is acceptable as to the number of persons hit by foreclosures on business property.

Home losses continue at a rate which, though sharply down from the 1932-1933 peak, still is three times the "normal" of 1926, and suggests that more than three quarters of a million home owners will have been turned out before the foreclosers are through with their current work.

Experience has been gained by mortgagees, of course, while all these enterprising people—assuming that anyone who builds or buys a home or business structure, or runs a farm, is enterprising—were being singed, browned, or blackened in the red fires of the foreclosure courts. Detailed statistics on mortgagee grief are lacking, but a few conclusions are fairly obvious.

In the typical foreclosure, the mortgagor has lost everything, the mortgagee has saved something. If principal amounts of debts have been scaled down by mortgagees to help the mortgagor out of his predicament, the loss has been comparatively slight: up to twenty-five percent on farm mortgages, and an average of about $300 on home mortgages.

The mortgagor often has literally lost more than everything. Not only has his equity been wiped out, with his savings and insurance surrender values usually included, but deficiency judgments have placed a lien on his future earnings.

The forms of mortgagee recovery, on the other hand, run a lengthy gamut. Even the quarter of a million persons who bought $700,000,000 of "guaranteed mortgage participation certificates" from New York City's amazing collection of boom-time "guaranteed mortgage" concerns will get much of their money back some day. Lots of them may get it all. And theirs was the type of mortgage investment furthermost from elemental business soundness and common sense.

Foreclosures on a large scale have not proved unfailingly profitable. It was with more than mere whimsicality, perhaps, that the convention chairman of the Mortgage Bankers Association of America addressed delegates to its annual assembly last winter. He referred to them as representatives not only of the mortgage business but also of "that new born side-line, the development of real estate sales," and a subsequent speaker termed them "members of the national association of building managers."

Major lenders, such as insurance companies and banks, are ready in many localities to testify that foreclosure campaigns meant greater expense in meeting court costs and tax arrears, making repairs, writing down investments, and finding new purchasers—and this with staffs unaccustomed to such duties—than might have resulted from closer and more painstaking attention to the problems of their debtors, and concessions to help solve these problems.

Tales still are told in the financial districts of big American cities of how affiliates were secretly launched by the less scrupulous mortgage concerns to

absorb profits from foreclosed real estate, then just as secretly abandoned when it became evident rather quickly that there weren't going to be any such profits.

It necessarily is true, however, that by sniping tactics and careful discrimination, many foreclosers have been able to reward themselves handsomely at mortgagor expense. Their profits will mount as real estate again becomes saleable. In several States there has been no legislative or other effort to prevent use by mortgagees of the vicious "deficiency judgment" weapon, and it has been freely wielded.

Where the foreclosure era has brought a curb on such judgments, notably in New York, the ill wind has blown a bit of good.

A New York mortgagee no longer can bid in the property of his debtor on foreclosure sale at a purely nominal sum—say $250 on a $7,000 house with a $5,000 mortgage unpaid—and in addition to getting the house back, obtain a judgment for $5,000, less the $250, to be paid out of any funds that come the mortgagor's way in the future.

If the mortgagee doesn't offer the actual value of the house at the time of the sale, the mortgagor now can require court determination of this value and have it offset when the amount of the deficiency judgment, covering the remainder of the mortgage debt, is fixed. The New York legislation is temporary, but in all probability it will be made permanent. Similar legislation already exists in other States, and in a few cases courts of equity have acted to protect the mortgagor in the absence of specific statutes.

Laws temporarily restricting foreclosures remain in effect in most of the States. The common pattern for these moratoria is a suspension of the foreclosure right during a specific period of emergency, conditioned on mortgagors continuing the payment of interest and taxes.

Large defaults in payments on principal of mortgage debts have piled up where such moratoria are in force, creating a problem yet to be dealt with. There is now widespread opinion among advisers of lending agencies that prompt knifing of interest rates and scaling down of principal would, as a rule, be preferable to moratoria in times of prolonged mortgagor distress, for the benefit of all concerned. The success with which the problem of the deferred payments is met within the next few years will shed light on the question.

In the Canadian provinces of Manitoba, Alberta and Saskatchewan, the legislatures which suspended foreclosure rights took occasion, in the same laws, to provide machinery for voluntary negotiations between mortgagees and mortgagors looking to reduction in the principal amounts of indebtedness.

The Dominion Parliament went further than the provincial legislatures and even further than the Frazier-Lemke act of the American Congress in seeking to aid mortgage-shackled farmers. The Farmers' Creditors Arrangement Act gave power to a board in each province, each board headed by a judge of the Superior Court, to enforce the scaling down of mortgage and other debts of farmers. The act, however, may meet the same fate as did the original Frazier-Lemke measure in the United States. After the Canadian election of last year, the new government referred the act to the Dominion's Supreme Court for an advisory opinion as to its constitutionality. As this was written, the court had not yet delivered its opinion.

The "sacredness" of contracts and the inviolability of property rights,

whether the national economic weather be bright or stormy, of course are the constitutional foundation stones of foreclosure rights. The foundation was severely shaken in the emergency which now seems passing to its final stages. Almost certainly it would not survive another such experience. But a more intelligent ordering of mortgage affairs such as now seems under way will help shield both sides of the mortgagee-mortgagor partnership from the next hurricane.

With the total face amount of outstanding mortgages undergong severe contraction, facilities for handling loans have been expanding. This is another powerful influence for a borrowers' market.

The contraction since January 1, 1932, exceeds $6,500,000,000, if Washington estimates are correct. The home loan total alone is down $4,300,000,000, the Federal Home Loan Bank Board explains, because old debts have been paid off in large amounts, while few new loans were being made, because foreclosures wiped out a billion and a half of obligations in two years, and because of the scaling down of debts as a kindly deed, or to obtain bonds of the Home Owners Loan Corporation.

Meantime, there has been a business of building many new shelves on which to lay away mortgages when, and if, purchased.

Eight agencies of the Federal Government now are concerned directly or indirectly with home loans. National banks now may lend on real estate up to one hundred percent of their capital and surplus, or sixty percent of their time and savings deposits, (whichever maximum is greater), and may use mortgages as collateral for loans from Federal Reserve banks. Federally devised plans for insurance or mortgages handled by private lending agencies, and of savings deposits in certain of these agencies, have provided savings-and-loan and building-and-loan associations with fresh strength.

Insurance companies and savings banks generally have come unscathed through the dangers which were pictured for them only a year or two ago whenever debtor-relief moves were discussed, and are eager to exchange great hoards of cash for stamped paper.

Correspondents of major insurance companies for months have been urged by the home offices of these companies to keep "A-1" loans in force whenever possible, using every legitimate foresight and every legitimate argument to head off payment. A spokesman for nearly one hundred and fifty companies recently offered the specific suggestion that correspondents look at least a year ahead to the maturity dates of important loans, and spend that much time if necessary in persuading the borrowers that loans should be renewed instead of discharged.

The insurance companies aren't so eager as this to make five-percent loans on a basis of eighty percent of appraisals, it is true. With the savings banks, they aren't ready to follow the Federal Housing Act pattern that far. Their mortgage departments still cling to "about sixty percent" of appraised value as a "practical limit" for loans, and for this measure of liberality, they prefer to charge five and a half percent interest.

If the amount of the loan is reduced to half the appraised value, the interest rate drops to five percent, and in consideration of the increased safety of an advance of only forty percent of value, the insurance company lender will accommodate the borrower at four and a half percent.

These quotations are timed with the arrival of spring. They may change by summer, or by fall.

Competition closer to Government offers on percentage of appraisal, and with interest rates given a further shaving, doubtless can be found among private lenders in most localities by dint of letting it be known that a would-be borrower is at hand.

How close to present prevailing loan terms the revamped mortgage business will "jell" remains to be seen. Strange things might happen if the demand for loans should continue to shrink, or if new schools of mortgage thought, inspired either by profit-seeking or by ideas of a more abundant life, should break the present lines.

The home builder who needs financial aid, profits by more than liberal terms these days. Incidental services of one sort or another are available to him nearly everywhere, some of them elaborate and costly. They have been developed particularly by building-and-loan associations and similar agencies as business-attracting bait.

Federal spreading of the home-building service idea began a month or two ago with the Home Loan Bank Board supervising experimental plans in scattered home-loan institutions. As the suitability of this plan or that is determined, it will be made available through Home Loan banks, and perhaps other channels, to mortgage concerns generally. Typical services will provide plans and specifications at moderate cost, aid in selecting sites and materials and in letting contracts, and supervise and inspect construction work.

That's the situation today. Only a short stone's throw back in current annals, your mortgagor, so many a speaker and writer had it, was about to pull the worlds' house down about its ears by his failure to meet on time what were often very unstreamlined obligations. He was the hour's prize villain. But now that the skies are clearing he is back at the top of the list of indispensables.

How the China of today would appear if viewed on a transparent globe, looking through the United States. The black area is China. The lined area represents lost or disaffected territory. Mr. Thackrey tells the story of modern China—America's "great potential market."

WHEN the funeral rites have been concluded over the section of North China that was the Manchu seat of government for several centuries, China will have been reduced to an area about half the size of the United States for the first time in her written history, which extends back to 1120 B.C., some believe to 4000 B.C.

The potential China market will have been cut by another hundred and fifty million people to a little more than two hundred and fifty million.

We have been dreaming about the potential China market for 152 years, ever since the "Empress of China" sailed from New York to Canton in 1784, the first American built and owned merchant vessel to drop anchor in Celestial waters. Even then the dissolution of the Chinese Empire had been going on at the hands of Western civilization for three hundred years. Nearly forty years before the turn of the twentieth century—in fact exactly forty years before we fought the Spanish-American War—we signed an agreement to maintain the territorial and administrative integrity of the Empire.

Our declarations in favor of the Open Door in China, and the agreement that we should receive every advantage accorded to any other nation —the most - favored - nation clause— were contained in our first formal treaty with China nearly a score of years before that in 1844.

These fundamental principles of our official attitude toward China were so

forcibly restated by Secretary of State John Hay in 1899 that he has been popularly credited with having originated them. Since that time the Chinese Empire has collapsed and the Chinese Nation has replaced it. The transformation has resulted simultaneously in a stronger national unity and feeling, and a decided shrinkage in the areas over which the recognized government of China holds sway.

We have repeated our guarantees of China's territorial and administrative integrity on half a dozen occasions since then, and have formalized our policy in at least three international treaties which we engendered.

China has come today to feel, rightly or wrongly, that there was a stronger obligation upon us to discover some method of maintaining those guarantees than devolved upon any other power, and that either through inability or intent we failed to keep that obligation.

She feels that we broke another obligation to assist in maintaining the stability of the world silver price, when in the face of dozens of strongly worded protests from China our Congressmen continued to prate at Washington about the tremendous increase in buying power our Silver Purchase Act would give to that nation's "potential customers." Our purchases under that Act, which without doubt drained the country of silver, forced the country off the silver standard and sent her into a desperate alliance with the English pound in a struggle to maintain a stable currency, were regarded as deliberately unfriendly acts, which further upset the economics of the nation.

And China today has other quarrels with us. Protesting our traditional friendship and sympathy for the struggles of the Republic—which bears no resemblance to a republic in fact—we have continued to stand with the other powers in insisting upon extraterritorial privileges while at the same time claiming our isolation from them in all things.

One of the most important factors in our bewilderment in China today must be said to be that our dream of a modern nation has begun to materialize—with results which are quite contrary to those which we have pictured traditionally. The inexhaustible reservoir of customers, with modern desires and an appreciation for modern methods has indeed been evolved. But the customers are clamoring for Chinese goods, for protective tariffs, for industrialization, for development of China's own resources. And when those demands cannot be met within the country, they are turning more and more to Japan and to Russia for manufactures.

The vision we had of the potential China market was a market in which we could sell our manufactured goods, and our superior foodstuffs, taking in exchange silk for our own use and tea for trading with England.

The China market which is developing under our eyes is one which produces, through improved Western methods, as great a quantity of wheat as we do ourselves; which is growing tobacco and cotton in increasing amounts and of improving quality; which is most eager for capital and for machinery credits on which to build her own workshops; which is fighting desperately to become self-sufficient; and one which has powerful manufacturing nations, nearer at hand than America, from which she can buy an increasing amount of expert advice and instruction, to say nothing of factory goods.

The modern government which we envisioned has developed, too—along lines more nearly Fascist than Republican. And with it has come careful

planning for economic independence, and a need for revenue which is resulting in rising protective tariffs against foodstuffs and goods which can be produced at home, and almost prohibitive tariffs against goods which cannot.

Modern China was granted tariff autonomy in 1929. Immediately the five percent average tariff on the value of imports was discarded in favor of a more discriminatory scale.

The latest report of the American Economic Mission to China shows that in recent years higher rates on manufactured goods—except for cotton piece goods, a selling market Japan preempted from England after patient instruction by English piece goods experts and importation of English weaving and printing machinery—have been the rule, while lower rates have prevailed on machinery and capital equipment.

Raw cotton, chiefly imported from America, and spun principally in Shanghai, where fifty percent of the industry is owned outright by Japanese, and another twenty percent controlled by Japan, pays thirteen percent duty at China's Open Door; gasoline pays 188 per cent, despite the fact that China produces no petroleum of her own; kerosene pays 175 percent duty; softwood lumber pays 38½ percent; motor cars (passenger) pay 40 percent duty; wheat pays 17 percent; wheat flour 30 per cent; canned fruits an average of approximately 65 percent; and rayon 80 percent.

Our own import duties on the chief China products, including most grades of tea, raw silk, tin, wood oil, oil seeds, sausage casings, bristles, and antimony are better than low; these items are on the free list. Egg products we charge a prohibitive rate and linen embroideries are charged up to 90 percent.

Our development in China within recent years has been to encourage the transportation of capital to China, setting up factories, assembly plants, utilities and transportation lines within the country. Capital has recently become somewhat hesitant, even American capital, because of the growth of that national spirit we had dreamed of in terms of buyers for American made goods. For China now demands that at least 51 percent of the capital stock of any corporation operating within China shall be Chinese. This does not necessarily mean that 51 percent of the capital shall be subscribed by Chinese. It means merely that ownership-control shall be so held.

As for the potential market we have been watching develop for 152 years, we bought, last year, approximately twice as much from China as she bought from us. The figures are $38,000,000 for our exports and $72,000,000 for our imports. In 1932, 1933 and 1934 we did a larger total business and had a favorable balance of trade. But prior to that time we bought more from China than she bought from us, invariably, and this year's trade had returned approximately to the 1929 level in total volume.

America's Stake in China

We have a capital stake in China, of course, despite the fact that our railway investments are negligible, while England, France, Belgium and Italy, to say nothing of Japan, have been financing railways for years with indifferent success and chiefly out of Boxer indemnity funds. We have no Boxer funds. We returned them to China in 1900 to insure our eternal friendship.

A Chinese Railway Mission is now in America seeking credits up to $200,000,000 for railways and is negotiating here for long-term credits.

China still can use railways, despite the tremendous difference in cost which makes highway development seem more attractive to her in most instances. It costs a maximum of $3,000 and a minimum of $1,000 per mile for motor highways, while the minimum cost of constructing a two-foot gage railway is more than $3,000 per mile at best, with standard gage construction running from $18,000 to $45,000 per mile. Land costs, of course, are not figured. In China even today the compensation for right-of-way land is negligible.

But China today has only one track mile of railroad to every 300 square miles, with a population of 70,000 per track mile. Great Britain has one track mile to every 4¾ square miles and for every 2,200 persons; America one track mile to every 8½ square miles and for every 3,300 people.

The development in motor roads of all classes—90 percent are not hard surfaced—has been phenomenal, approximately 47,000 miles of usable motor roads having been opened since 1933. This figure is approximately the total, there having been almost no national road system until that time, although Chekiang in Central China had a well-developed road plan in 1929.

But T'ang Leang-li in his "Reconstruction in China" points out that even at the rate of 15,000 miles annually, it will take China forty-two years to reach the average for the world, 280 years to reach the United States standard of road development, and 560 years to attain the standard of road mileage (compared with area and population) now established in the United Kingdom.

A share of our capital investments in China is in utilities and communications. The largest telephone system in China, and the largest electric light and power plant are both in Shanghai, and both are American owned. So is fifty percent of the stock of China's largest commercial aviation line. The picture of the formal protection for Americans and American investments in China is illuminating.

Until the National Industrial Recovery Act was passed, American capital in China was not guarded against bad judgment, but it escaped certain onerous taxes at home by going to China. Under the China Trade Act we encourage the development of corporations with headquarters in China to compete with similarly owned corporations organized under British, French, Japanese and Italian law. The National Industrial Recovery Act failed to exempt China Trade Act Corporations from capital stock, excess profits and dividend taxes. The American Economic Mission has started a fight to get the tax exemptions reinstated.

At any rate, more than $200,000,000 in American money left this country to settle in China under American protection. It is still there, although it might be difficult to realize on the value of the investment at present. But what there is, is there under guard of the flag, the Army, Navy, Marine Corps, State Department and Department of Commerce.

America still maintains more than 2,000 marines and over 1,000 regular army men on Chinese soil, the Yangtsze patrol in Chinese waters, and the whole Asiatic Fleet, approximately 6,000 gobs in all, within easy calling distance to see that 11,000 American citizens living in China (and the $200,000,000) enjoy the privileges of American citizenship undisturbed.

In addition the Government spends half a million dollars annually for consular, Department of Commerce and Department of Agriculture agents in China, as well as for the maintenance

of a United States Court for China to settle all legal disputes with or between Americans, and to handle criminal cases in which Americans are involved.

The Asiatic Fleet is complete with a submarine division, gunboats and destroyers, and much of its time is spent on the China coast, paying regular calls to Shanghai and to Cheefoo. Not only this, but in the belief that American shipping in American bottoms is vital to our China trade, as perhaps it is, mail subsidies are provided to keep those lines operating profitably. There is now a movement on foot to increase them.

There is no obligation upon American capital invested in China, whether for manufacture or development, to use either American products or American labor. A plant constructed with American dollars, under protection of American law, may employ Chinese, Japanese, Russian or any other form of labor. It may use machinery from Japan, native stone, German steel, Portuguese office managers and Chinese clerks, and spend the entire net proceeds, if any, in Turkey, so far as the Government of the United States is concerned. It must be said, except for the disbursement in Turkey, that this procedure is quite as frequently followed as not.

Competition is given as the reason. If the American corporations operating in China are deprived of any of these privileges, they will, in many cases, renounce their corporate nationality and register under British, French or even Chinese law. There is a troublesome matter concerning directorates predominantly of the nationality of registration, but it can be arranged.

"New Deal taxes," reports the American Economic Mission, "are forcing American enterprises to incorporate under Hong Kong ordinances."

The total American investment in China takes no account of any outright gifts for mission or charitable purposes, famine relief contributions, and certain of our endowed foundations.

The Reconstruction Finance Corporation has a $20,000,000 loan in China not properly included in the "investment" accounting. This loan was originally one of $50,000,000 to finance wheat and cotton purchases from America at a time when we were concerned with our surplus.

That was the same year in which China produced a volume of wheat equal to that produced in America, although not of as good a quality for milling. With wheat, as with other items, production does not always mean availability in China, transportation costs for goods being held to average nearly fifteen times greater than the costs for haulage in America.

Chinese flour millers and wheat traders protested strongly concerning our "wheat loan," however, and cotton spinners, many of them Japanese, did not look with favor on the cotton loan; nor did cotton producers. They were afraid the foodstuffs would be "dumped" on the market, and also that the proceeds, despite caution in the wording of the loan, might be used for military purposes.

One fourth of the investment total for American dollars is in Chinese government securities. Another fourth represents enterprises controlled by such corporations as American and Foreign Power, Electric Bond & Share, International Telegraph and Telephone, and Standard Vacuum.

Tobacco companies, including American holdings in the British-American Tobacco Company, for example, represent a fair share of the investment. This company has found it politic to discontinue marketing certain of its brands under its own name in China,

despite local manufacture in Shanghai, and now markets through a Chinese Corporation—the Wing-Tai Vo Tobacco Company. Tobacco imports are taxed 10 percent on entry, but the real tax has just begun. The rolled tobacco and consolidated taxes on cigarettes, coupled with tax evasion by certain Chinese manufactures, increase the burden.

Pan-American Airways owns 49 percent of the stock in the China National Aviation Corporation, one of the few entirely profitable commercial airlines in the world. And yet Pan-American has been trying unsuccessfully for more than two years to obtain permission to land its trans-Pacific Clipper ships in territory controlled by the recognized Government of China.

Included under the full protection of American law and military forces for what they may prove to be worth, or to cost, are innumerable Delaware, New Jersey, New York and California corporations which have their entire establishments in China, spend most of their funds there, obtain a certain amount of their capital there, but which are under no effective control and undergo no close supervision such as theoretically would be exercised by their parent States if they were located nearer home.

There are trading companies, exchange houses, shoe stores, merchandising establishments, banking institutions and the like, all presumably complying with the letter of the law by returning to their States of incorporation by mail attested annual reports of physical condition.

These are not China Trade Act corporations, but claim American protection in the capacity of citizen. One such, a trading corporation operating under the title of a bank, but including in its group a trust company incorporated under the China Trade Act, a real estate company and a finance company, is now being liquidated in Shanghai. Depositors of cash may get as much as five cents on the dollar. Stockholders will get nothing. Two jail sentences have been pronounced on the principal officers by the American Court, but the failure of this unsupervised institution has dealt a terrific blow to American prestige—one out of all proportion to the actual size of the capital invested or even to the admittedly large losses sustained.

Although the mission investments are difficult to calculate, it is estimated that somewhere beyond $50,000,000 would represent the actual American investment in physical property. Mission schools are permitted to continue operating in China today, but only if they have registered with the National Government, accept appointments from the Ministry of Education and discontinue the practice of including religious education among the required subjects for graduation.

England and Japan in China

Both in actual capital invested and across the customs frontier, our keenest competitors at the moment for the China trade, are also our best customers for products manufactured in America—Great Britain and Japan. They rank first and second among the buyers of our exports. Great Britain's investment in China is five times our own, and Japan's about double, excluding Manchuria. Until 1935 China was our seventh largest customer. Our investment within the country represents just two percent of our investment abroad as a whole, provided the Army, Navy and Marine Corps maintenance figures are excluded.

The difficulties attendant upon capital investment in China for Americans include labor trouble in the industrial

centers. Contrary to the common belief in America, there is a very strong union labor movement in China, including the maritime trades, which perhaps have the strongest unit in the China Federation of Labor today.

Strikes at the British American Tobacco Company and the Shanghai Power Company, to mention only two affected American concerns, succeeded in the one event in shutting down one factory branch permanently, it would appear—and in the other, in the replacement of Chinese with Russian labor. There were 211 strikes in Shanghai alone during the closing month of last year involving more than 80,000 workers.

Our present position in China, together with our announced policy, can be appreciated more fully through a glance backward over some of the highlights of China's experiences with Western civilization, and the atmosphere in which the framework of our own relations was first constructed.

It must be fully understood before we leave the present for a moment, however, that China is still 90 percent agricultural; that even in the cities twenty cents a day is a better-than-average wage for the head of a family; that copper coins with a value of a little more than 700 to the dollar are the real media of exchange and the base on which a majority of wages are calculated; that there is an improvement in literacy, but that a score of local dialects or separate languages are spoken despite a common classic language, intelligible only to approximately two percent of the people, and that the largest circulation claimed by the largest Chinese language daily newspaper, printed in the most densely populated area in the world today, is 165,000, with a sale price equivalent to 1½ cents when first printed and one quarter of a cent 12 hours later.

The Chinese Empire, it must be remembered, was a system of tributary states. Traditionally, it was the world. Actually, it encompassed most of it in Asia. French Indo-China, Annam, Siam, Burma, Tibet, Mongolia, Manchuria, Formosa, Korea, the Dutch East Indies and even the Philippines have been lost at the hands of Western civilization, while large areas still remaining nominally a part of China—North China, Inner Mongolia and sections of the northwest and west, for example—are alienated in fact.

Disintegration

The first European treaty signed with China was by the Imperial Russian Government in 1689, but almost two centuries before then the disintegration had started. In 1516 the Portuguese fought a successful battle at Canton and took a permanent leasehold on Macao, still a Portuguese colony. In twenty-seven years more, Spain took the Philippine Islands. In the middle of the eighteenth century, the British East India Company began to trade at Canton and inaugurated the series of trade rules and raids which resulted in the Opium Wars, after 20,283 chests of opium, which British traders had landed for sale, were destroyed by China in 1840.

At the end of the wars, Great Britain took Hongkong, an indemnity of $20,000,000, and opened the country to foreign trade. Canton, Shanghai, Amoy, Foochow and Ningpo, all coastal towns, were established as ports of trade for all foreigners by treaty. At the suggestion of the Chinese themselves, a "most favored nation" clause was inserted in the British agreement.

The original draft of America's first treaty with China was signed two years later on July 3, and formalized in

1844. Not only was the "most-favored-nation clause" a feature, but so was the privilege of "extraterritoriality." Under the last named agreement, Americans, together with French, British, Japanese and other nationals of strong countries, have been subject only to their own laws and to trial by their own courts in China.

Taking advantage of the Taiping (Great Peace) rebellion, in which more than 20,000,000 persons were slain—the most costly civil war in terms of human life the world has ever known—France and England joined forces in 1857 in another opium war. Opium was legalized. Kowloon, on the mainland near Hongkong, was given to Great Britain; eleven more treaty ports were opened.

Anson Burlingame, first American minister to reside in Peking, was accredited to China in 1861 by President Abraham Lincoln. In 1863 he became alarmed at the rapid partitioning of China, and formulated America's first positive stand against further aggression. His language is reminiscent of that used in every succeeding American treaty with China.

"I brought the question," he wrote in 1863, "to the attention of the British and Russian ministers, and since his arrival, to the French minister. I am happy to say that I found my views accorded with theirs and that we are now on this most important question in perfect agreement.

"And this agreement is a guarantee of the territorial integrity of the Chinese Empire."

Within the next ten years France took Cochin-China, invaded the ancient kingdom of Annam, another tributary state, using riots against French priests as an excuse, conquered Tongking, and in 1886 declared the whole of the territory under French protection as French Indo-China, the form in which we know it today. Great Britain, not to be outdone, took Burma. And between them, France and Great Britain partitioned Siam and detached it from the Chinese Empire. Meanwhile, Japan, the bright pupil of the Pacific, was improving herself after the Western fashion. She joined the party in 1894, whipping China so soundly that she felt she was entitled to Formosa and the Liaotung Peninsula. She also charged an indemnity of $158,000,000 for the lesson. Russia was aghast at Japan's success and promptly forced a showdown under which a cash indemnity was substituted for Port Arthur and the peninsula. Formosa was not mentioned, and Japan retained it.

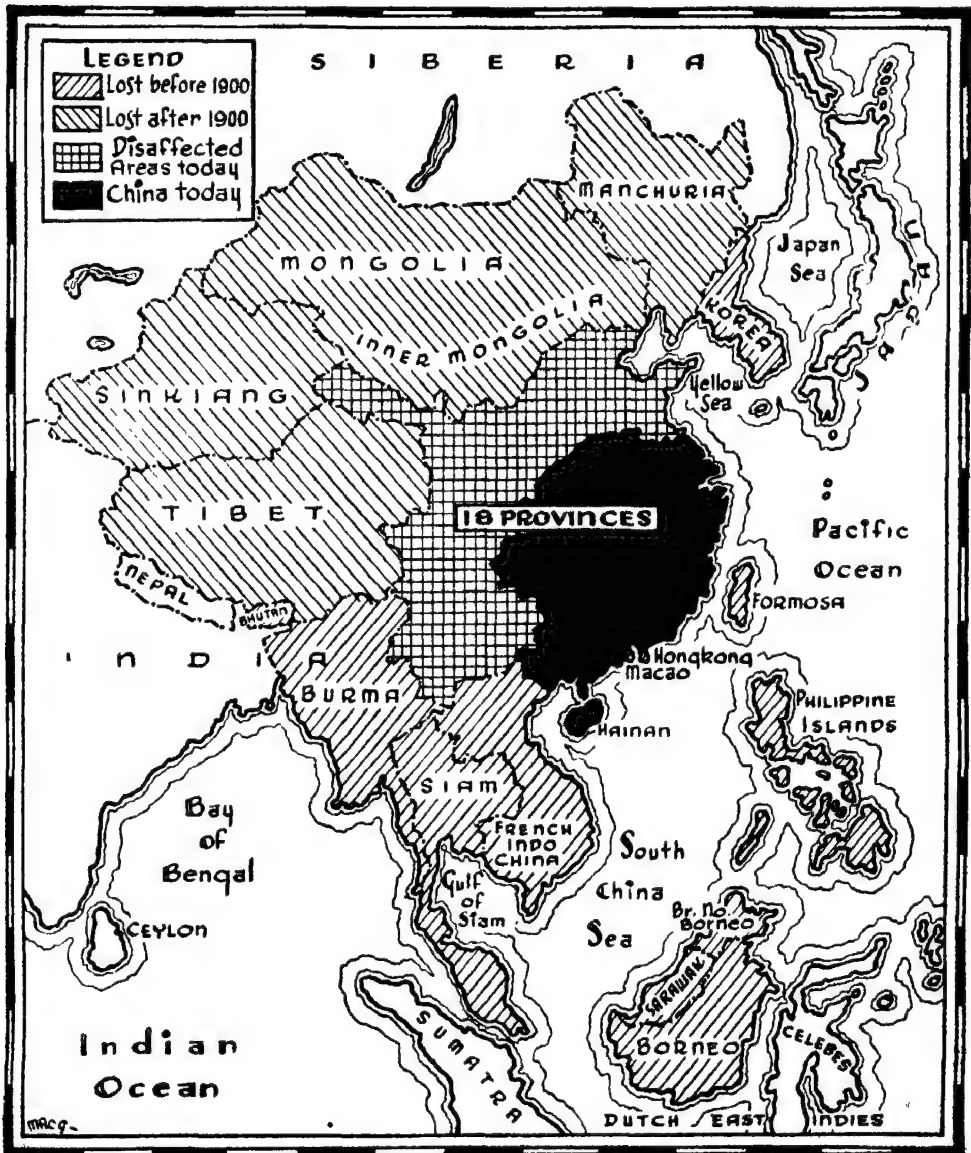
Immediately afterward, Korea declared her independence from China and passed first under Japanese protection and then completely under Japanese domination. Russia obtained rights to railway construction in Manchuria, and France to build the Yunnan railway which even today drains this rich western province through French Indo-China to the sea. Germany got railway rights in Shantung to the exclusion of other powers. British, French and Belgian financiers obtained the right to build the Peking-Hankow railroad.

"Spheres of influence" were established by the foreign powers among themselves. In 1899 Secretary of State John Hay decided that America's "open door" policy and her program for the territorial integrity of China had been ignored too freely by other hopeful nations also on their way to the potential China market.

He issued a circular note to the other powers providing an explicit agreement that the territorial integrity of China, her right to collect customs and her sovereignty would be held inviolate.

It was immediately after Secretary

Hay had spiked this plan that the Boxer incident, caused in part by the foreign railway concessions, occurred. At its conclusion a levy of $350,000,000 was exacted from China as an indemnity. The United States promptly returned its share in order to cement friendly relations, and a portion of the funds was used to send Chinese students to America. The right to station foreign troops in Peking was granted and new railway concessions were obtained.

In 1911 the Manchu throne was overturned by the Revolutionary Armies, and China settled down to a protracted period of civil war, arising over the right to rule in the name of the people. A constitution was drafted, but never adopted, giving the people

the right to assembly and to free speech.

The World War now was approaching. Japan was busy industrializing herself with the aid of British machinery and technical advisors in the piece goods trade. China offered to join the allies. Japan, uneasy over the prospect of a modern, Western-trained Chinese army, frowned on the proposal. China sent labor battalions to the front instead. Japan hastily stormed the German stronghold in Shantung—Tsingtao—took the German-manned forts, hustled the German defenders off to concentration camps as prisoners of war, and claimed the entire province as her own.

So far had she progressed that Secretary of State Lansing on November 2, 1917, agreed with Viscount Ishii that "Japan has special rights in China," and soon afterwards at Versailles, President Wilson consented to Japan's formal acquisition of all former German holdings in the Far East under mandate, including Shantung.

Japan was elated. Her own "Monroe Doctrine for Asia" was formulated and publicly announced. The following year she issued the forty-eight hour ultimatum to China which contains the now well-known "Twenty-One Demands."

The first four demands were accepted by China. They included:

Free surrender to Japan of all former German rights throughout Shantung, including all railway concessions.

Consultation with Japan, and her consent to any change of policy involving any third power with regard to Manchuria and Mongolia.

Japanese partnership in the Hanyeping coal mines, the richest in China and among the most valuable deposits in the world.

Compulsory employment of Japanese advisers in national matters.

These same demands, in substance, including a strong suggestion that China recognize the State of Manchukuo, again were being presented to the Central Government at Nanking in March this year.

America was genuinely alarmed at the "Twenty-One Demands." She immediately invited the Powers, including Japan, to the 1921 Washington Conference where the combined pressure of all Powers forced Japan to relinquish Shantung. Once more the conferees signed a treaty guaranteeing to preserve China's territorial and administrative integrity.

Japan had committed herself to nothing about railway interests, so she promptly negotiated a private agreement with China's Anfu clique, a distinct political group, whereby she retained the former German railway lines in Shantung and the Port of Dairen as well. Within a short time, she had completed agreements to sell the Shantung railways back to China, taking treasury notes in payment!

While these moves were under way, the Kellogg-Briand treaty designed to outlaw war as an instrument of national policy, and the Nine-Power treaty, assuring, on paper, a static state for border lines, were signed.

Chiang Kai-shek emerged as victor in China's internecine wars and, swinging as sharply to the right as the Hankow government of 1927 had presumably been to the left, forced the expulsion of Communist members from the Kuomintang, and began his practical and successful dictatorship on the Mussolini plan, supported by the country's largest banks and bankers, ably assisted by his brothers-in-law, Dr. T. V. Soong and Dr. H. H. Kung. No sooner had he reached an agreement with the nominal ruler of Manchuria, Chang-Hsueh-liang, son of Chang-Tso-lin, for an entente with the Central

Government under the Kuomintang flag than Chang-Hsueh-liang was in full flight and the Japanese in charge. China boycotted Japanese goods. Japan invaded Shanghai.

Recent events have shown clearly that Japan intends to insist upon a régime in North China completely favorable to her will, with Inner Mongolia a buffer between the North and Mongolia.

Tibet and Sinkiang have declared their complete independence of Nanking, although maintaining commercial relations with both China and Russia. In Chinese Turkestan and Mongolia, even the monetary values are based on the ruble, the trade is with Russia and the economic advisers are chiefly Russian.

China's Red Armies, against whom the might of the otherwise unoccupied National Troops has been thrown for three years, are further from the center, but still control a considerable area—now chiefly to the northwest and far west.

Szechuen uses Central Bank notes exclusively as far west as Chengtu, although the provincial troops still mutter about home rule and the rights of autonomy. Yunnan nods to China but continues to be an economic vassal of France.

Kiangsu, Anhwei, Hunan, Chekiang, Fukien, Kiangsi, Honan, Kweichow, and a fair share of Szechuen provinces may fairly be said to be under control of the National Government at Nanking. Yunnan is Nanking's child but France's vassal; Hopei Shantung, Shansi, Kansu, are neither completely alien nor yet of the Center. A battle, both military and economic, ranges over Shensi, railhead of the latest East-West railway extension. Kwangtung, center of which is the southernmost capital, Canton, is held in check, but loosely.

Within the borders of the Central provinces, and within the framework of the Central Government, amazing strides have been made in the direction of modernizing the form of government and the appearance of its housing. In Shanghai a model form of civic development has taken place under the direction of Mayor Wu Teh-chen—one which bids fair to attract a major share of Shanghai industries, and is prepared to offer harbor facilities superior to those of the foreign settlements remaining.

The Government there, as well as for the whole area unified under Nanking, may be called for, but neither of nor by the people. The great mass of people still seek what they seek in every nation of the world—freedom from the burdens of hunger, poverty, taxation, and repression.

The day of the American merchant trader in China can fairly be said to be passing, and the day of the international financier and dealer in capital goods dawning. Meanwhile, the formulators of American policy, with an eye on the potential China market, are still engaged in one of the world's most peculiar international poker games. The value of the chips is known only before they are played to the pot. It is even more complicated than that. Even if we should try to cash in and quit, the banker is still to be found, and it takes a brave man to risk a shot in the back while fumbling for the exit.

VIEW OF A LARGE REFINERY: "He Who Owns the Oil Will Rule the World"

OIL

the story of liquid gold, with some notes on sanctions

in the Wheels of Empire

By LEONARD M. FANNING

WHETHER accoutered for war, or garbed in the robes of peace, the world in modern dress heavily depends on a malodorous black liquid—oil.

Oil from the earth means power to move and lubrication to move more easily. Trireme and war chariot, cruising yacht and touring automobile, the machine in the factory and the machine in the home, all are in need of it. Modern lighting and heating need it. Wherever you look in this age of machines and wheels, of enlightenment and comfort drawn from mechanical appurtenances, there you will find petroleum in one form or other.

People of all nations must have oil in proportion to their industrial development and international power ranking.

Nations with oil production, or assured oil supply, have a tremendous economic advantage in peacetime. Theirs is a voice that must be heard if, through the League of Nations and by neutrality legislation, the economic sword is to supplant the steel blade in deciding international issues.

Let us examine, first, the extent of world and national dependence on oil, and, second, the position of the principal countries with respect to their oil resources.

Oil has been known to man for countless centuries. When man's only engines were his own muscles; before he commandeered the horse and the dog and the ass for power; before he invented wheels, the chances are he came across seepages of oil in his Asiatic wanderings. But until the nineteenth century, petroleum was used only in a limited way by peoples close to oil showings. They dug wells by hand, using the oil first for medicine and, in a small measure, for illuminating purposes.

Even with the Industrial Revolution which gave man the steam engine and countless mechanical contrivances to increase his production and to spare his weary muscles, petroleum lay virtually undisturbed beneath the surface of the earth. Textile machinery, the rolling mill, the reaper, the sewing machine, shoemaking machines, countless machine tools, the power printing press, the paper-making machine, the railroad and the steamboat were already accomplished facts before petroleum became an article of commerce.

It was in 1859 in the forested wilderness of western Pennsylvania that the first well was drilled for oil. The success of this method of tapping underground oil reservoirs started the modern era of petroleum development.

The chemist of that early day analyzed petroleum as a substance yielding on distillation a burning oil (kerosene), lubricating oil, and paraffin wax. The world then was lighted by tallow

candles and tallow and whale-oil lamps. Coal-oil had come tentatively into the picture, and manufactured gas was just around the corner.

Although in those days reading was for the few, while most people could not write, population had grown enormously, and to meet the lighting needs, however meager, of vast numbers of people was a problem of the age. Whalers of New Bedford, Salem and Nantucket, seeking to meet the demand for sperm-oil, long since had killed off the sperm-whale in nearby waters, and their harpoon guns now sounded in the Arctic. Extinction of the whale—and with it one of man's chief sources of light—was threatened.

Hence the first oil boom was based on world demand for an illuminant, and for a long day thereafter petroleum development was identified essentially with kerosene. Ten years after the first drilled oil well, American kerosene had penetrated into every corner of the civilized world; the New England whaling ship had struck her flag, and the world had turned from the tallow candle and sperm-oil lamp to petroleum. Never had transition been faster. It had taken civilization centuries to progress to a point but a step removed from the pine torch and the hearth fire for light and heat. Now, in almost a day, it seems—in reality, within a dozen years—the world was out of darkness. Gas light and heat and electric lamps fed from a central power station took hold in cities. Yet, kerosene could penetrate where these could not, and until well into the twentieth century, as an illuminant it alone had virtual dominance.

Now, in the making of kerosene, other products were yielded from the crude oil. There were the petroleum gases, the light explosive gasoline, or naphtha products, the heavy fuel oil and lubricating oil fractions, the wax and coke and, in some crude oils, the tarry oils and asphalt. How could these products be converted into usefulness?

As late as the 1880s, factories still employed animal and vegetable oils for the lubrication of machinery. Wheezy steam engines similarly lubricated and served by long lines of little horizontal boilers were stoked hour after hour by men stripped to the waist. Melted beef fat for valves and pistons, and lard oil or castor oil for bearings, had done well enough for the early engines. The same was true of lard oil, whale oil or olive and rapeseed oil for light machinery. But as engines and machines increased in power and speed, the heat caused fatty acids to form and these ate into the metal bearings. At best, tallow oil supplied a profuse amount of lubrication at irregular intervals. It was applied generally as a result of distinct groaning of the valves or of the pistons. Burned bearings, breakdowns, were frequent. Clearly, animal and vegetable oils had reached their limit.

Oil Points the Way

Power and speed! Engine design and metallurgy were showing the way, but one essential feature was lacking—lubricants which would permit available speed and power to be used. Within the next ten years, the science of lubrication, the mechanics of friction, was established, and the basic lubricants became specially processed and compounded petroleum oils.

The importance of this development is not merely that it supplied a market for a by-product of petroleum refining; it gave the machinemaker and designer the material that enabled them to pursue with increased vigor the trend of machine and engine design toward greater speeds and heavier loads. It enabled industries which

were straining at the leash to apply machines and engines to the productive tasks for which they were designed.

In those years much occurred to reflect the smoothing of the oilways for machine progress. Machines of all kinds—agricultural, industrial, domestic—were invented and put to work. The steam turbine, the electric dynamo and motor arrived. Animal and vegetable oils gave way to petroleum oils. In mine and mill, for locomotives and cars, in fact for every wheel that turned, the basic lubricants were mineral oils and greases. Without these lubricants the Machine Age never could have come to fruition.

New Markets

Markets were found for other products of petroleum. Wax went into candle-making; was used for waterproofing, for preserving, for laundry work, and entered into the making of chewing gum and matches. Medicinal oils, like vaseline, for external use, and liquid petroleum, for internal use, were prepared for the drug market. A petroleum ether was derived which was employed in hospitals for surgical cases requiring a local anæsthetic.

The heavier naphthas, or gasolines, were used as lamp oil or stove naphtha. Also they went into oilcloth and varnish making—the beginning of a wide application of these products as solvents in the paint and varnish industries. They were employed for dry-cleaning.

In nearly every industry, as chemical processing assumed modern form, petroleum derivatives began to be used, in one or many ways. Viscous oils assisted the new processes of ore-concentration. Great quantities of gas oil were used in the making of manufactured gas, thus offsetting to some extent the invasion of gas against the kerosene product. Power stations, large and small, began to apply mineral oil of high quality as an electrical insulator and conductor of heat in static transformers, and also for the purpose of quenching arcs in high-tension switch gear.

Special soluble oils came into use in the lubrication of machine tools, in the polishing of metallic surfaces, in the oiling of wool and other fibers, in the coloring and glazing of tiles and bricks and pottery, in the oiling of leather, and in the manufacture of soaps, perfumes, disinfectants and various pharmaceutical preparations. Even before the motor age, petroleum asphalt came into use as paving, and road oils were used for laying dust.

Then came the gas engine.

In all but fruition gas engine invention was a contemporary of the steam engine. Inventors were playing with the idea at the time of Watt (1770), and as far back as Papin (1680). Actually, it arrived a century later. In that elapsed century hardy pioneers tried dauntlessly to establish automotive transportation by means of "steam wagons." Eventually, the light steam automobile made real headway; it was heralded throughout the world in exciting news of road races in France in the early 1880s. Then it was that the gas engine came into being, and whereas a hundred years had gone by since Watt's first steam engine, scarcely a day elapsed before the invention of Lenoir and Otto was put on wheels.

In the sense of their rivalry in the field of automotive transportation, the steam engine and the gas engine were contemporaries. How intense that rivalry was—with the electric vehicle at one time giving both a close run—is almost forgotten today. That the gas engine won, is due to petroleum, the making of a suitable fuel—gasoline. The oil man brought up the reinforce-

ments that turned the tide of battle from defeat to overwhelming victory. In fact, it is conceivable that the gas engine would not have arrived for the battle had not petroleum gasoline and gas engine development paralleled each other. Previously gunpowder, benzene from coal, street gas and the like were used by experimenters in attempting to develop the principle of the gas engine.

At first a pleasure craft, looked upon as a toy or an effete luxury, the gasoline motor car swiftly gave man a new means of transportation for himself and his goods, in many respects more comfortable and flexible, and cheaper than the railroad. It became a necessity. In America it revolutionized our whole social life; converted a continent into a neighborhood; brought the farm to the city and the city to the suburbs and the farm. And in making the best use of the wheels he had invented, man also built a modern system of highways, financed almost entirely on a cash, pay-as-you-go basis by automobile license fees and State gasoline taxes.

Today road vehicles are crowding other forms of transportation just as the railroads crowded the canal and the stagecoach less than a century ago. The trolley and cable car, the electric interurban, the short-line railroad, have given way to the passenger motor car, the motor bus and the motor truck. And in industrial and agricultural application the gas engine has widely supplanted steam as a prime mover.

Conquest of the Air

In man's conquest of the air, petroleum for fuel and lubrication plays an equally important part. The Wrights' first aviation engine was nothing more or less than their own home-made automobile engine. But as the service required continuously of airplane engines exceeded that of automobiles going down the racing tracks at highest clip, and as engine weight had to be kept down, engines of special construction were developed. Early engines were fueled by a highly volatile gasoline and lubricated with castor oil.

The World War took flying out of its swaddling clothes. Fast fighting machines, powerful bombers, were needed. The trend for lighter, more powerful engines was suddenly accentuated. Machines went into the scrap heap almost as fast as they were built, so intense was the competition between warring nations. When the United States entered the war in 1917, the Liberty motor was developed and built on a mass production basis, and American petroleum engineers developed special aviation fuels and also petroleum lubricants which supplanted castor oil.

Throughout the civilized world after the war, passenger airlines were built. In the United States the first air-mail service was established in 1918 between New York and Washington. In 1920 New York and San Francisco were linked with a 32½-hour westbound and 29-hour eastbound air-mail schedule. Shades of the pony express! In 1860 the swiftest express riders and stagecoaches carrying the mails from the Mississippi—the farthest west of the railroads—took two weeks to deposit a letter in San Francisco. The best the modern transcontinental railroads could do from New York to the Pacific was about 100 hours. The airplane, like the pony express at mid-century, like the railroad a quarter of a century later, with its swift mail communication, united the nation in closer bonds.

Out of the World War came continuing aviation researches by the military departments of the principal nations. The U. S. Army Air Corps

progressively has succeeded in developing the aviation engine for substantially increased power without increasing size. Cooperating with the Corps are American petroleum refiners who have developed specification fuels which have made these developments possible. Such standardized aviation fuels have become available to commercial aviation. On regular passenger planes today you span the continent in anywhere from fifteen to eighteen hours—about half the time of the first fast air-mail plane. You travel on luxurious airliners flying transoceanic routes. The gasoline of today in increasing the power output of the engine, while involving no increase of engine weight and permitting a decrease in fuel consumption, makes these achievements possible. More speed and less gasoline, greater cruising radius, more pay load—here is one of the secrets of the advances that continue unabated in commercial airline transportation.

Oil on the Seas

In the marine field even before the World War, the maritime powers were beginning to turn to oil as against coal for fueling steam-driven ships. Saving in useful space, in labor cost, in fueling time and longer cruising radius and greater speed, were all factors in favor of oil. Great new sources of heavy fuel oil were developed in Mexico and California, and oil-bunkering stations were being established wherever ships of the sea put in. The war hastened this change. There was a wholesale conversion of naval and merchant ships alike to oil-burners, and the accelerated shipbuilding programs called for oil-fueled ships throughout the world.

The navies of the Great Powers became oil-burning almost overnight. Even coal-producing countries, such as Germany, France and England, built only oil-burning ships for use in international trade. Petroleum's revitalization of maritime commerce in the era following the World War is comparable to steam's victory over sail.

Oil as a fuel also invaded the railroad field. On the Pacific Coast and in the Southwest, where close proximity to oil fields and remoteness from coal fields are factors, oil-burning locomotives came into use and are still exclusively employed on many great lines. Similarly, oil came into wide use to generate steam in power and industrial plants. Indeed, as electricity, in relation to power, is symbolic of a mechanical age arrived, so petroleum as a power fuel wears the dress of modernity. Power, electrical and mechanical, with its necessary concomitant of efficient and cheap fuel, has not only meant man's release from muscle power, but the placing within his reach of food, clothing, shelter and transportation formerly denied him. Such is petroleum's relation to industrialized civilization.

Even as these epochal developments were transpiring, one of greater importance as applied to the use of petroleum in the industrial and transportation fields was launched in the diesel engine. An internal combustion engine, as is the gas engine, the diesel operates on a different combustion principle and uses, instead of gasoline, a heavier oil, usually fuel oil. It is called the most efficient prime mover ever made by man.

During the World War Germany's diesel-driven submarines attracted wide notice to this engine, and after the war shipbuilders were quick to adopt it. Within recent years diesel engines have largely displaced steam plants in large passenger vessels and fast freighters. Today the great ocean liners are diesel-driven. Many of the great American fleet of tank vessels

carrying petroleum and petroleum products use diesel power. The revolution that began with the adoption of oil fuel in ships takes its ultimate expression in this engine, directly oil-fueled and giving direct power.

The diesel also has entered the railroad field. Diesel engines are employed for switching service, and for passenger and freight hauls, obviating the necessity of electrification. The stream-lined diesel locomotive has made new railroad history. In power and industrial plants, diesels of varied design are being widely employed.

The diesel holds future promise in airplane development in competition with the gas engine, while in one branch of the automotive field—heavy-duty trucks and buses—it is making real headway. Will the diesel supplant the gas engine in passenger automobiles? Not for some time, at least. But whether gas engine or diesel engine, the fuel that gives it power is derived from petroleum.

Striking, indeed, in the social and economic revolution that has come with man's acquistion of mechanical power and mechanized transportation is the importance of oil. But the greatest transformation has occurred in the last quarter of a century. The very acceleration of change in recent years rests upon the availability of suitable lubricants and fuels.

In America recently an additional significant use has been made of oil. This is in home furnaces. It came about through the development, shortly after the World War, of an automatic oil-burner. Not since the invention of the furnace one hundred years ago has there been a development of such vast social significance as that of automatic heating and its related enterprise, air-conditioning. The immensity of the stride which takes us from an age-old familiarity with household drudgery to delegated robot labor, and which gives us automatic control of the room temperatures in which we live, is almost too great to grasp. It may yet rank as one of man's greatest advances since his discovery of fire.

A World's Dependence

To sum up, petroleum today, in its more obvious manifestations, is employed as a source of light, as a source of heat, as a source of power, as a source of lubrication, as a medicine, as a road asphalt. But this does not begin to cover its range of utilization, its contribution, by way of chemistry, to the modern world. That out of petroleum come alcohols for the hospital and the home, solvents in the making of lacquers, soaps and essential oils, products that, on the one hand, kill the parasite on the tree, and, on the other, preserve the fruits and vegetables that are shipped to us in jars, are facts sometimes less known to us, because they are so much less apparent. In recent years petroleum chemists and refinery engineers have been converting the molecules and vapors of petroleum into countless new products, which vie with wood and coal products in their range of application. Few industries there are which have not felt petroleum's influence, and the number of products of petroleum is so great as to defy listing.

Thus, we see a modern world dependent on oil. The extent of that dependence, nationally speaking, varies greatly. In no country is it more pronounced than in the United States, where the combination of large native petroleum sources and a great national industry has served to stimulate uses to a far greater extent than in any other country. The growth of the automobile in this country was made possible only by the development of

adequate home oil sources. Here there is one motor vehicle to every five persons—26,000,000 cars, as compared with only 11,000,000 the world over. Here is the largest application of diesel engines, the largest use of industrial and domestic oil-burners, the largest concentration of machines that need lubrication.

The United States accounts for about 70 percent of the world's total motor fuel consumption; 38 percent of the kerosene consumption; 56 percent of the gas oil and fuel oil consumption; 42 percent of the lubricant consumption. Our consumption of all petroleum products reaches 61 percent of the world total. Next comes Russia, which accounts for less than 8 percent; then the United Kingdom with 4 percent; France with 3 percent; Canada with 2 percent; Germany, Argentina and Japan with less than 2 percent each, and Italy with only 1 percent.

The difficulty in the international oil picture is the inequality of controlled petroleum sources among nations. We in the United States have a home oil production sufficient to take care of our needs and to allow a balance for export. We are also favorably situated with regard to South American sources, such as Venezuela, Colombia, Peru and Bolivia, and we draw on them as well as on Mexico. With the possible exception of Soviet Russia, the United States is the only great power self-sufficient with respect to native oil supply.

England, France, Germany, Italy and Japan have little or no home oil production. They are forced to import large quantities and to do what they can to develop substitutes. These countries import various percentages of their total requirements from the United States and South America. The European countries also draw in different degrees upon the oil fields of Russia, Rumania, Poland, Egypt, Iran (Persia) and Iraq, and of India, the Dutch East Indies and British Borneo. But the United States produces 65 percent of the world's oil output, and Mexico and South America, another 13 percent. The European fields produce only 15 percent; Egypt, Iran and Iraq less than 3 percent, and India, the Dutch East Indies and British Borneo, not more than 4 percent. Hence the productive ratio favors the Western Hemisphere by three to one.

Oil in Europe

This disparity serves to emphasize the dependent position of those European countries without adequate home supplies. In their efforts to meet the situation they have thrown up a maze of restrictions and regulations. Import quotas, regulations fostering home industries, labor laws, regulations enforcing the use of alcohol or other petroleum substitutes, reciprocal trade agreements, subsidies, price fixing, taxes, and last but not least, exchange restrictions are a few of them.

With the help of Government protection, Germany supplies a large portion of her liquid-fuel requirements from coal—and, to a lesser extent, so do England, France and Belgium. Benzol, a by-product of the high-temperature coking of bituminous coal, and liquid products obtained from low-temperature carbonization of coal are produced as substitutes for gasoline in England, Germany and France. The hydrogenation of coal to gasoline recently has been successfully developed on a commercial scale in England and Germany. In both countries gasoline from coal is sold in competition with petroleum products with the assistance of subsidies.

France has led in the development of alcohol as a substitute motor fuel through the restriction of petroleum imports and subsidies to national grain producers and to the French grain alcohol industry.

Behind reciprocal trade agreements involving oil are efforts to protect home industries, to secure a favorable trade balance, and to protect currencies. Nationalistic policies appear everywhere. Aptly, it has been said that oil intercourse is "90 percent politics and 10 percent oil."

Rumania, a controlling factor in European petroleum markets under normal conditions because of the accessibility of her production, has trade agreements with Italy and Germany. She has been largely removed from her usual position because of Italy's heavy purchases to meet war needs. Russia would seem to be in a peculiarly favorable position to supply a large proportion of European requirements. But she has home requirements which normally exceed her prevailing production rate, and while she exports petroleum products extensively for revenue, her exports have declined. However, Russia's shipments to Italy have increased.

For her home supplies and her prosecution of the war in Ethiopia, Italy has also drawn on Iranian petroleum products. As these are the exclusive development of the Anglo-Iranian Oil Company, controlled by the British Government, we find that while Britain was officially recommending oil sanctions against Italy, a British company continued to supply Italy with a substantial proportion of her oil requirements. Best available figures indicate that Italy's demand for petroleum products increased 25 percent in 1935, as compared with 1934, this being chiefly supplied from Rumania and Iran. Her normal shipments from Iran direct to Port Said for the Italian Navy and to her African colonies showed a great increase. Exports of petroleum products from the United States to Italy increased 100 percent in 1935 as against 1934. Normally, oil from the United States accounts for only about 20 percent of Italy's total requirements.

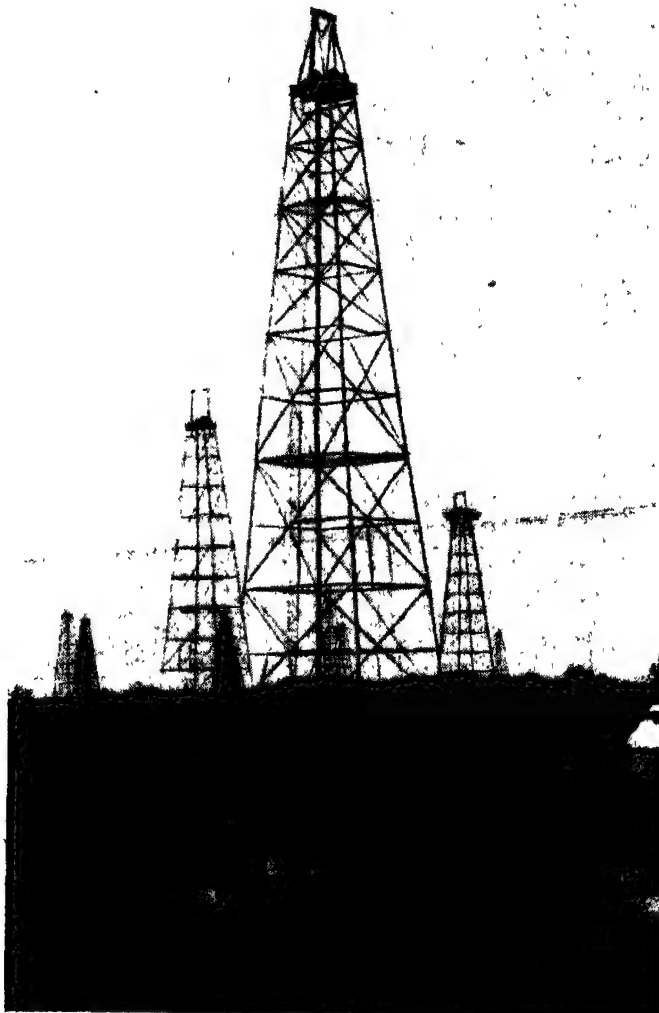
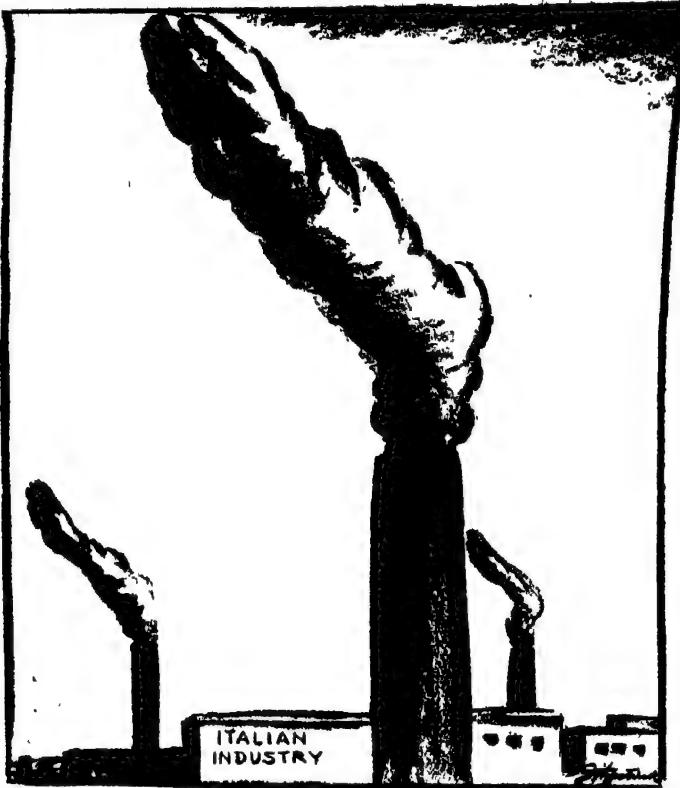
In the successive diplomatic maneuvers since Italy's war of aggression in Ethiopia, the importance of oil became strikingly apparent. Italy's troopships, which bear her soldiers to Eritrea, burn oil for the most part; her warships which protect her position in the Mediterranean use oil for fuel; the trucks which maintain the tortuous lines of communication in Ethiopia must have gasoline; the motorized artillery of the Italian Army moves on gasoline; the tanks which throw back the warriors of Haile Selassie must be filled with gasoline; and the airplanes sent by Rome cannot fly without it.

Our own Government, having passed a neutrality law and following the President's proclamation placing an embargo on the "exportation to Ethiopia and Italy of arms, armament and implements of war," has endeavored to stop American oil companies from exporting oil to Italy. We saw Britain advocate the extension of sanctions against Italy to include oil. We heard Mussolini declaim that such action would mean war in Europe. As the League of Nations weakens on oil sanctions, we see our own country abandoning its efforts to curb oil exports to Italy.

We see a new crisis arise in Europe with Hitler's scrapping of the Locarno Treaty, and we see France appealing for sanctions against Germany. Germany fought the World War surrounded by a band of steel. Oil played a major part in her defeat. To quote

Earl Curzon, "the Allies floated to victory on a sea of oil."

In the light of recent events, the observation of Senator Henri Beranger of France after the World War is of interest:

"He who owns the oil," he said, "will own the world, for he will rule the sea by means of the heavy oils, the air by means of the ultra-refined oils, and the land by means of gasoline and illuminating oils. And in addition to these he will rule his fellow men in an economic sense by reason of the fantastic wealth he will derive from oil—the wonderful substance which is more sought after and more precious than gold itself."

"Oil from the Earth Means Power to Move . . ."

DESIGN FOR FASCISM
—*St. Louis Post-Dispatch*

NEW CANDIDATE FOR THE POSITION OF "FORGOTTEN MAN"
-By Herblock for the NEA

Meet the Ethiopians

By H. R. Ekins

(From his diary of Ethiopian War Adventures).

THIS is the story of one of the muleback-riding war correspondents who saw Ethiopia at its best and at its worst. The best was not too good; the worst was just that.

Those of us who enjoyed the pleasures of learning first-hand of a little-known land also suffered the squalor, the fleas, the illnesses and the effects of seeing human beings in chains, cringing under flogging flails and enduring the terrors of war. We suffered disillusionment—a forgotten experience for all but the youngest in the corps of journalists at Addis Ababa, Harrar, Dire Dawa, Djibouti and the other East African centers from which news of the Italo-Ethiopian hostilities emanated.

Upon returning home, the memory of East African days and nights was sharpened incredibly by contact with home folk who, despite our reporting, remained as illusioned about Ethiopia as were we when we first set forth adventurously to report what proved to be one of the greatest failures in journalistic history.

We sailed to the strange land ruled by Emperor Haile Selassie just before Premier Benito Mussolini signaled his Black Shirt Legions to start the campaign which has since resulted in drawing tight a ring of men and steel about the high plateau on which sprawls Ethiopia's capital, Addis Ababa.

Two solid months of my time in Ethiopia were spent with the barefoot, feudal hordes mobilized to the thumping of Menelik's war-drum by the Negusa Nagast for the defense of his ancient realm.

In attempting to answer the countless questions of those at home, my memory inevitably reverts to the actual experience into which we put so much that the effort of retelling is difficult, especially so if bias, conscious debunking, and reflection of our own disillusionment is to be avoided.

Memory—in this case an accurate diary—recalls brutal floggings I have seen with my own eyes, a late night ride through sixty miles of foreboding country with the Emperor, prayers in church and visits to the wounded with His Majesty. In addition, we were subject to fleas, quinine, rotten whisky, shady hotel keepers, war profiteers, savage warriors, and peaceful, wholly primitive peasants. I still remember my first sight of women padding off to war, the lust for blood seemingly humming in their war songs. They seemed to prove there is something ineradicably primitive and ferocious in the African, regardless of the name of his tribe.

Other recollections are of shots in the dark and in broad daylight, curses by men, women and children, accompanied by eloquent spitting, Xenophobia, unexpected rebuffs, unwarranted discourtesies and unanticipated, heart-warming kindnesses; also, gunrunners, missionaries, Yemen Arabs buying and hoarding oil for sale to Italy, and the drone of bombing airplanes overhead.

There is yet more: The awful backbiting among journalists and cameramen, all suffering from equatorial alti-

tude, inactivity, frustration and finally bitter disapointment, for after going off at tremendous expense to cover a war as no petty colonial war has ever been covered, they emerged as the victims of a journalistic washout. And then there were the brothels with red crosses as their symbols; lepers, men and women clanking along in chains; brave men and hard-working, such as E. A. Chapman Andrew, British Consul at Harrar, and the late Dr. Robert W. Hockman, American medical missionary, who died while handling a dud bomb at his tent hospital at Daggahbur; tired missionary doctors who told us Ethiopia is 85 percent syphilitic; camp fires, torrid heat, desolate deserts hugging plateau country so beautiful as to make one breathless; meals of goat meat and goat milk eaten amidst swarms of disease-bearing flies. And then:—

Radio stations open only at odd hours, Moslem mosques, Copt priests, the clash between modern armaments and ancient weapons, primitive transport, censorship, delayed transmission. And mud houses, grass and stone huts, gorgeous landscapes, incredibly clear air, city stench, camels, donkeys, baboons, monkeys, hyenas wailing at night, officials knowing nothing but "okay tomorrow", dearth of news, dust, rumbling camions, plodding caravans, personal misery.

Always there was the main thread—blacks, blacks, blacks, shuffling off to be cannon fodder and not in the least afraid to die.

There was the pondering as to why all Europe was so deeply involved in what its sponsors avowed candidly was simply a colonial war for military and economic conquest of a land enjoying the sympathy of the world —a white world turning its back on Italy to champion 7,000,000 primitive blacks in a spirit of idealism mixed strangely with high international politics.

There was thought of the high-ranking Ethiopians who said candidly they wanted nothing of the white man's civilization, especially after they learned, through personal experience, of his aerial missiles and gas bombs. They did not want to be saved for civilization; they desired the freedom they had enjoyed for thirty-seven centuries, during which they failed to develop from the primitive—not creating anything of music, architecture, literature, nothing of the beautiful, the utilitarian, not even soap.

There was thought of the pathos of the position of Emperor Haile Selassie, dubbed "Charlie" for all of us in affection and respect by Len Hammond, the Fox Movietone News photographer-writer. His Majesty seemed to be struggling so utterly alone, and apparently in vain, to keep his country and make it eventually as he had represented, or misrepresented it, to the outside world.

And there were thoughts of countless hours with black troops, yet no sight of combat, no smell of the gunpowder without which a war correspondent is but another working reporter just a bit farther afield on his assignment than usual.

There was the forlorn remark of a Turkish General with the Ethiopian warriors, Wahib Pasha, a hero of the World War's Dardanelles campaign, who said so gloomily one day when we were demanding, literally crying for, action:

"The war is in the air; there is no front in this war!"

We never did quite figure that one out. Perhaps the Pasha was bitter because of Italy's use of bombing airplanes, against which the Ethiopians had no resistance.

All these memories welled up upon returning home to hear people ask about the Ethiopian armies, churches, country, customs, capacities, attitudes, the bombing of Red Cross hospitals, the use of poison gas, primitive acts of barbarism and the reason for the war.

In the press here in America we called the massed warriors an army. That was not quite correct, for the army on the defensive in Ethiopia is composed of the civilian population belonging to the ruling Amhara class and their feudal levies and enslaved retainers.

Ethiopia's last fight for her freedom meant simply the rallying of the people They tore up their home stakes, such as they were, shouldered the strangest collection of fighting weapons the world has ever known, and trooped off to war in much the same maner as people in other lands would go to a carnival. Even a reporter long accustomed to the slipshod methods of warfare in the Far East had much to learn, and many misconceptions to discard when he saw primitive Ethiopia at war with modern Italy.

After months of imagining, I arrived in Addis Ababa only a few days before Emperor Haile Selassie finally called his people to arms. Following much shouting in Rome, which left little doubt as to plans and purposes, Italy had advanced on Adowa, and Emperor Haile Selassie, finally despairing of the League of Nation's efforts to save his country from attack, at last unleashed his warriors, who for months had called him the Amharic equivalent of "sissy" because he had not permitted them to take the offensive.

For the next two months we were destined to live and work with the men—and even women and children—who responded by the hundreds of thousands to the rumbling, throbbing, booming beat of the ceremonial war drum pounded by Haile Selassie's predecessors since the days of legendary history in times of distress.

At home we had heard of an Ethiopian army drilled by hired Swedish, Belgian, Russian and Turkish officers. We knew of the Emperor's determination to defend his borders and believed he had created something resembling a modern army capable of undertaking a show-down with Italy on the field of battle. But in this we were mistaken; this so-called "army" was merely his own bodyguard. They were not the people who have since challenged Italy in the incredible stretches of stark, awe-inspiring, fever-ridden country. The regulars in the Imperial Bodyguard and the Galla Rifles sticking close to the person of the Dajazmach Nasibu, Governor of Harrar and commander in chief on the Southern front, comprised a mere handful among the 800,000 people hoping for a shot at an Italian. The people of Ethiopia, just armed hordes of petty chieftains and their retainers and slaves, including many women and children, took the field against the hated invaders.

Whole populations were transplanted. Tribes holding their isolated valleys for centuries bodily abandoned their ancestral dwellings and moved off gleefully at the news that their Emperor was issuing new rifles and plenty of cartridges that really exploded. The call to arms disrupted the economic and social life of Ethiopia. Regardless of the ultimate outcome of Italy's campaign, the country can never again be put together as it was before.

The country moved to war on foot. Whole families and tribes collected their babies, their weapons, pots and

pans, reserve food supplies and herds, to plod off to war. Many trudged hundreds of miles over desert and mountain. The chiefs rode on mules; food was carried by donkeys. But the fighting forces plodded along on feet that never had known shoes. The women, smiling, fat and filthy and swathed in soiled cotton or naked to the waist, frequently carried the rifles for their men.

Only in inconsequential numbers were warriors rushed off to the front in camions. Motor trucks were too few and the roads too bad for anything but time-honored, primitive transport. Copt Christians, Moslems and Pagans trudged off with no knowledge of military discipline and procedure and with no way of obtaining it. When out of food and unable to obtain it from the Government, they simply ate the countryside bare, or starved.

We saw mobs from Gofa, Jimma and other distant provinces swarm into the towns of Harrar and Dire Dawa, pitch their tents in the public squares, eat, rest and foul a wide area, and then trudge on to where someone had a vague notion there might be hostilities.

Often these teeming people on the march would clash with other clans and there would be civil war in miniature. A Moslem would touch an animal a Christian had killed, making the food unedible for both. A similar, equally petty event—then brawling, a few casualties and a motley nation would get its mind back on the war with the hated Ferangi (foreigner).

But the Ethiopians were brave; they were not afraid to die. They had yet to learn of Italian aerial bombs, artillery shells, gas bombs and machine-gun bullets.

They were not greatly interested in being treated if wounded. They did not even ask for a swift, sudden death. They asked only for combat and, if hurt, for a lingering death, providing opportunity to dwell on the pleasures of this earth and the greater pleasures promised for the life to come. It was heartbreaking to see people trudging off to die with no general staff, no commissariat, no transport and few of the implements of modern war, until one was brought up short by realization that they loved it, that they were a warlike people happy in combat and who had been languishing under Emperor Haile Selassie's efforts to tame them and make them worthy of that most incongruous fact—their membership in the League of Nations.

When Ethiopia went to war, every man was literally his own army. The country's fight to remain "the last of Free Africa" unquestionably was directed by the Emperor. This little brown bearded man with the dainty hands and feet of a woman has the spirit of an eagle, the independence of a lion and the tenacity of a bulldog. He won his throne by sheer work and merit after serving for many years as Regent, a position to which he was elevated from the Czardom of Harrar Province, his own fief, by French and British influence in the African intrigue of early World War years.

Amidst intrigue, jealousy, the hatred of conservative chiefs who lived on the memory of the "good old days" of the late Emperor Menelik, Haile Selassie kept going alone, attempting to introduce reforms and trying to modernize his poor, primitive empire until Fascist Italy decided she would take it from him. Then he had to have help. He continued to run his own show with dignity and poise, and on occasion took advice from the British Raj, represented by the British Minister to Addis Ababa, Sir Sidney Barton, and his military attache, Major Holt.

Except for the diplomats in Addis Ababa and the personages he met in Europe in 1924, when he took a look at the great outside world, Ethiopia's Emperor knew of foreigners only as missionaries, explorers, scientists and a rather unkempt collection of Greek hotel keepers, Levantine traders, Indian shopkeepers and money lenders and the French officials operating the railway from Djibouti.

The Ethiopians at Court distrusted all foreigners. They regarded them as spies or people working for the partition of Ethiopia, the exploitation of her people or the development of her natural wealth.

When the undeclared war started, even while it was threatening, His Majesty collected a group of hired hands from overseas to help keep his rickety empire intact as long as possible.

In time of war, and with the eyes of the world upon his throne, the ruler of Ethiopia was concerned for the safety of foreigners in Addis Ababa, Harrar and Dire Dawa. Missionaries, traders, newspaper correspondents, gun-runners and people less easy to identify refused to leave despite the thundering of Italian guns on the borders. The Emperor knew full well the hatred of his people for all whites, so he imported French and Belgian officers to organize police forces charged with the maintenance of public order. Most of these men had served in the Allied armies during the World War and boasted decorations. Since the war, many had fallen on evil days, having failed in one enterprise or another, but they were willing to pin the brass Conquering Lion of Judah on their shoulders, don comic opera uniforms and take orders from and work for the Ethiopians.

Other former officers, generally of a better class, were in the field with the troops as "military instructors." They liked to fight and cared not for whom they fought. They found their efforts to drill armed hordes of disorganized Ethiopians a hopeless task but they stuck to their jobs, wore conspicuous uniforms, had promises of gaudy decorations and, if more fortunate than the Emperor's erstwhile Swiss cook, might collect their pay without giving away too much in the form of "presents"—a euphemism for bribes—to the paymasters representing the Throne.

The Emperor also hired a different class. They were good, solid German and Russian engineers who built roads for him, repaired trucks broken by Arab drivers and kept what little motor transport he had in something like running condition.

In Addis Ababa he had a shrewd, capable American adviser, E. A. Colson of Maine, who was the soul of courtesy. He won for the Emperor a favorable world press without spending a nickel for propaganda, entertained charmingly at tea in his little, tin-roofed house and managed temperamental reporters by receiving them as honored guests at all hours of the day and night. He should go down as the unsung hero of the East African campaign.

It was a conspicuous fact that when Colson was not immediately at hand the Emperor had much less to say. He remained poised, apparently sure of himself, but he was reluctant to talk with foreigners in the absence of his trusted adviser. At such times he appeared to turn to his Church, the very institution which blocked the reforms he so valiantly but vainly tried to inaugurate. Rarely did the Emperor travel without a High Priest who was as much a political as a spiritual adviser, for in Ethiopia the Church was all-powerful before invading Ital-

ian columns marched deeper and deeper into the country. It controlled one third of the land, and the bulk of the wealth of the country was in its hands.

The priesthood represented a huge element in the population. As in any primitive land, statistics are inaccurate. But we were told that the churches, monasteries and convents which cover the country, supported one million monks, priests and *debtera* or deacons, while Ethiopia's population, before the outbreak of hostilities, was estimated variously at from only seven million to ten million souls.

In the eyes of any objective observer, the priests would be viewed as parasites. They were diseased, ignorant and corrupt. Many qualified observers, men devout in their own faiths, have recognized that they "serve no useful purpose and exist on the taxes raised from people working on the land." They were not called upon for military service. Their lives were anything but fit examples for their people.

His Majesty Worships

Memory recalls our first meeting with the Emperor afield. He had flown to his southern Army headquarters at Jijiga to inspect Governor Nasibu's defenses. While motoring from Jijiga to Dire Dawa by way of Harrar, he stopped off long enough to consult with the priests and worship with them in the churches where he prayed as a youth. While members of his staff and bodyguard watched silently, respectfully, His Majesty stood with bared head beside the church's outer wall. A personal servant held his *chamma* or cheese-cloth toga, stretched at arm's length to give the Emperor privacy.

He prayed as a Copt Christian of the picturesque national Church of Ethiopia. To Christians in other lands, many of whom joined in days of prayer for the Ethiopians, that Church would not be recognized as Christian could they know it first-hand. Dean Stanley said that "Ethiopian Christianity is of a kind hardly capable of going lower without ceasing to be Christianity."

Originally Pagan, the Ethiopians have been Christian for at least 1,600 years. They claim more, for their records and legends show they adopted Judaism a thousand years before Christ, and that Matthew began the Christian evangelization of the country. But scholars generally accept 330 as the year in which shipwrecked Christians converted Ethiopia from Judaism to Christianity.

The constant, unyielding ignorance of most of the priesthood and Ethiopia's isolation for centuries from the outside world caused the original Christian faith to become a religion unique. It is a composite form of worship, having evolved through the pagan, Egyptian, Jewish, Coptic and Latin phases. All the original fabric of the Church has been coated over time and time again with a mass of gross superstition, but its form of worship is picturesque; it has endured and, whether for good or ill, has played a powerful role in the country's history.

Church ceremonies, ecclesiastical robes and furniture, as well as customs, show how clearly the many races which have mingled to make Ethiopia the madly mixed nation it is, have made the church just as much the crucible of a melting pot.

Actually, even now, the Copt Christians are in a minority. They are outnumbered by the Pagans and the Moslems, especially the latter. The few purely Semitic tribes throughout the country are negligible in number, although the Semitic strain is apparent

in all the ruling people—Amharas, Shoans and Jimmans. Ethiopian Jews are called the Falasha. They are above the average in intelligence and have developed a crude ability to work in iron. For their accomplishments they are looked down upon by the Copts, who believe the Falasha become hyenas at night.

The Shankala and Boran, Arrussi and Wollega Galla are Pagan, worshipping a supreme deity called Wak and numerous lesser spirits called Sarosh.

The Moslems and Pagans have held to their forms of worship as tenaciously as the Copts, although many, during the reign of the late Emperor Menelik, outwardly embraced Coptic Christianity rather than have their hands and feet, or both, cut off. The converts were not inspired with respect or true belief in the merits of their new faith but by keeping their heads, they kept their hands and feet.

Ethiopia's Church is independent, although, to avert internal strife upon the death of a reigning Abuna or Pope, its head is imported from the Copt Church at Alexandria. He is literally purchased, and once he assumes his duties in Ethiopia he is never allowed to leave. The Abuna ordains the priests and crowns the kings. He presides over all religious festivals and participates in the Councils of State.

Admission to the priesthood requires no learning and no theological preparation. Payment of the equivalent of $2.50 and a blessing from the Abuna is sufficient.

The Ethiopians of the Copt persuasion in modern times, strangely enough, have been tolerant of other faiths. The Moslems have been left in peace and foreign missionaries have not been disturbed unduly in their missionary endeavors.

Ethiopia is literally a land of churches. Each village has at least one, and often two or three. Many priests are attached to each. The buildings, circular mud structures built inside a wall-inclosed compound, are anything but pretentious. Usually the roofs are of thatch, but occasionally galvanized iron roofs are seen. An outer gallery or veranda circles the outside of a typical edifice. Immediately inside there is an inner court, in the center of which is the Holy Place where reposes the representative of the Ark of the Covenant.

During services of any consequence the priests wear elaborate vestments. They beat large drums made of wood and hides. Others shake curious little brass cymbals. Burning incense provides the odor of sanctity. Priests chant, holding Copt crosses aloft while others sway their bodies and wave "praying-sticks."

Ethiopian Christians have 150 feast and fast days a year. Fast days are observed rigidly, but on feast days the people gorge themselves on huge quantities of raw meat and drink incredible quantities of alcoholic beverages—*tej*, a native mead made from honey, and *tallah*, the Ethiopian equivalent of beer.

In our early days in Ethiopia we were able to witness the rites of the Church, but as time wore on and the victims of Italian guns came in for funeral and burial services, the officials charged with our protection saw to it that we stayed away. Feeling ran high against the white men whose brothers had devised the aerial bombs which made the church services necessary. We were forbidden to tarry where crowds of mourners gathered.

Sign of the Red Cross

High hopes of victory had turned to despair. Ethiopians had been unable to resist the invader when he unleashed

the weapons and missiles of modern warfare. The defenders found to their own peril that not even under the symbol of the Red Cross were they safe from attack and injury and death.

The Red Cross proved to be a much-abused symbol in Ethiopia. A few of the enlightened authorities, foreign missionaries, doctors volunteering for arduous work, and advisers to the throne, attempted to preserve its inviolability. But their efforts were in vain; inevitably the Red Cross was bombed.

The Ethiopians must have learned in their own way that all is fair in love and war. While they did not understand the intricacies of international conventions, they were quick to grasp the idea, at the start of the war, that technically the Red Cross and all it was posted to protect, would be safe from attack. So red crosses were on top of buildings not used in any way for hospital purposes. They sheltered food and ammunition depots, units of combat forces and military transport. Stretcher bearers and other attendants of hospital and first-aid units went into the field armed to the teeth. A truck carrying an anti-aircraft gun and plastered with the red cross was a common sight in Harrar. So were heavily armed officers and men frequenting the stinking, narrow lanes passing as streets in Harrar. They wore red crosses on their arms and caps although there was no evidence they were attached to medical units. Sentries stood at hospital gates with bayonets fixed, bandoliers filled with cartridges and pistols stuck into belts with knives, daggers and cutlasses.

British, American, Swedish and other hospital units regarded most carefully the use to which they put the red cross. But all the innocent suffered with the guilty, and Italy carried out her threat to disregard the sign.

The Red Cross in war was brand-new to the Ethiopians. But not the symbol itself, for traditionally it has been the sign of the brothel in Ethiopia. They say in Ethiopia that the Crusaders, returning from the wars against the infidel, passed through Ethiopia, lingered long enough to traffic with native women, and by way of returning the compliment, left the red cross of the Crusader behind as the symbol of the bagnio. While this is myth, of course, the red cross nevertheless is the symbol of the Ethiopian bordello. Such places of business were a common sight in Ethiopia and the red cross ceased to have the significance that more refinement of custom would give it. There were honest but vain efforts to adjust the situation.

Well I remember a hot afternoon when Laurence Stallings, head of the Fox Movietone Ethiopian Expedition, and I, followed the Harrar police force to a long line of brothels facing Harrar's leading church. Sweating, panting gun-bearers labored in the dust behind mounted officers who galloped up to the town's center of easy virtue, and where patiently, eloquently and instructively they lectured on the true meaning of the Red Cross and ordered those of ill repute to be removed.

But the red crosses remained. The professional women said in effect that their crosses had been their symbols during many years of established service, and if new-fangled outfits such as base and field hospitals and dressing stations wanted a sign, then let them devise a new one.

TAXES: ENGLISH, FRENCH, AMERICAN

By Edward C. McDowell, Jr.

It is frequently stated, and generally believed, that the British and the French are taxed to about the limit of their capacity to pay, whereas the American taxpayer has a comparatively light burden, and can absorb a considerable amount of additional levies before the European level of taxation is reached.

That British and French taxation is about as high as it can go may well be true, and this is supported by the fact that taxation in those countries is practically static despite the fact that both governments usually have yearly deficits. But the idea that American taxes are comparatively small is mistaken. An examination of the facts and figures of taxation in these three countries, in their true relationship to each other, is surprising.

The enormous increase in our governmental expenditures has aroused both interest and apprehension regarding the inevitable increase in taxation which will be imposed to pay for these mounting deficits in the budgets On the part of the average man there is a growing amount of discussion, but little understanding, as to how much he is actually paying now, and how much more he can afford to pay. The taxes of the average man who earns, let us say, about $3,000 a year, are not generally considered to be of importance, and outside of direct taxes he has, as a rule, only a vague idea of what the numerous indirect taxes total. Large corporations and people with high incomes know exactly how much they pay, and how increased taxes will affect them. They employ lawyers and accountants to investigate these matters and to advise. There is no lack of information, for tax records and statistics are accurate, complete, and available to all, but the millions of taxpayers do not know how to avail themselves of this information, or do not think it worthwhile to do so.

If it is true that European taxes are about as high as can be imposed, then a corresponding tax level in this country would represent about the limit to which our taxes can be raised. It is generally conceded that a so-called "soak the rich" scheme of taxation will not produce the money needed to meet present or future needs, and "average" taxpayers must carry much of this increased burden, either in direct taxes or in indirect taxes, which is to say, in increased cost of living.

The average taxpayer earning about $3,000 a year represents the great mass of people who individually live up to most of their income. He can save but little. He is the average ultimate consumer, and the ultimate consumers have all the accumulated taxes passed on to them on everything they pay for that is taxable. An enormous amount of revenue—about ten billions of dollars in a year—is raised throughout

this country by a multitude of separate political taxing bodies. The last available count shows the number of political units empowered to levy taxes in this country to be more than 183,000. But of this, relatively few people are aware, while the same lack of information applies to the actual average tax burden.

The average taxpayers in Great Britain and France, however, are acutely aware of their tax burdens. They know just how heavy these are and govern their lives accordingly. These two nations are the easiest to compare with the United States economically. They are both constitutional democracies. But despite this similarity, there are several fundamental differences.

The differences lie principally in two things. First, the system of taxation employed in these European countries is entirely different from the American tax system. When this difference is understood, it will be seen that a true comparison cannot be had by merely placing the British National tax figures, for instance, beside the United States Federal taxes and announcing that the former is greater than the latter.

The second essential difference lies in the people themselves. The English people, and the French people to an even greater degree, live lives that are considerably modulated in comparison to the American mode of existence. The standard of living, as it is called, is lower. This does not apply to the characters in novels and movies, but to the great mass of ordinary people who make up the bulk of the population.

In England and France, people do not earn as much money as in the States, but their money goes a great deal further. The average family does considerable "scrabbling" to get by from month to month. Papa's pants are jolly-well made to fit Willy. Many women wear lisle and woolen stockings and reserve silk for best. Luxuries are expensive. Pleasures are simple. People expect less out of life than they do on this side of the Atlantic, and that is because, in the nature of things, they have not been educated to so many luxuries. A great deal of life follows traditional lines—you might say "ruts," City, countryside and industrial enterprises—all are crowded with people who are content to accept less than they hope for, in order to get along. In Britain gambling is indulged in by all classes of people, but they do not confuse it with their daily bread. People are more settled in their lives and in their lot, and the fact that the average office boy never rises to be a director is not a cause for national alarm.

Great Britain—

In Great Britain (the British Isles except the Irish Free State) the man who earns 300 pounds, or $1,500 a year is the economic and social equivalent of the American who earns $3,000 a year. This statement may be protested, but it is recognized and accepted by those who have a knowledge of the standards of living and value of money in the two countries. The British Library of Information in New York City uses this ratio as a basis for comparing approximately equivalent income categories. In England people get paid about half of what they would receive in America for the same or equivalent type of work. This is especially true in the lower income brackets.

For example, a typist in England is commonly paid about two pounds a week, or ten dollars. A stenographer-typist, or private secretary, will get somewhat more—from twelve to fifteen dollars. In the United States a girl who is just a typist gets between sixteen and eighteen dollars a week in large

cities, and somewhat less in smaller places. A stenographer will commonly get about twenty dollars a week, while a private secretary gets from twenty to thirty dollars. There are, of course, exceptions in each case. This difference is true in the case of ordinary department store salesgirls in both countries, and white collar people generally. Skilled and unskilled labor receive proportionately less there than in this country, although payments vary widely. The New York policeman starts at $2,000 a year. The London bobby starts at about half that figure. Each represents the minimum living wage for those in that class of work.

The answer to this difference in equivalent incomes is the cost and standard of living. Rents are cheaper in Great Britain than in the States. People buy fewer clothes and enjoy less expensive pleasures. The principle is carried up as incomes grow larger. But with the $6,000 income (1,200 pounds), the difference begins to become smaller, and in due course the very high incomes are approximately the same. That is to say, the heads of large companies get about the same salaries in both countries.

Now let us look at the taxes that the British pay. They have been said to be essentially different from American taxes. The difference lies in the manner they are distributed and in the things that are taxed. In Britain, as well as in Europe generally, *income* is the basis of taxation. There are no important taxes levied directly on *principal*. People are taxed rather than things. In the United States taxes are, for the most part, *ad valorem*, that is, they are taxed on the assessed value of property, and are, in effect, a mortgage or fixed charge. The American income tax is but a small part of the whole. The chief source of American taxes is property; the chief source in England is income. Direct taxes on land in Great Britain are so small as to be almost negligible. The British land and property revenues are derived from the income of that land or property.

The total tax revenue of Great Britain comes from two main levies—the National taxes and the local rates. The National taxes account for about 80 percent of the total revenue, and local rates make up the remaining 20 percent. All the important levies are included in the National taxes collected by the British Government. The biggest single item of these is the income tax, which is about one third of the National taxes and one fourth of all taxes, National and local.

In Great Britain for the year ending 1934, the income tax, surtax, supertax, and estate duties amounted to $1,850,000,000. (See table "A.") This is about 42 percent of $4,392,000,000—the total of all taxes, National and local, collected. This 42 percent is paid by a section of the population getting much more than the average income. There remains a balance of $2,542,000,000 which is distributed throughout the entire population. If this balance is prorated on a per capita basis, the share of each person in the Kingdom amounts to approximately $54. Thus a man with an income of $1,500 (300 pounds) if single, will pay an income tax of about $94 plus $54 of other taxes, totaling about $148 a year. If he is married and has children, he will pay no income tax, and the prorata for his wife and himself would amount to $108. This last figure can be checked by the fact that the per capita tax for all people in Great Britain in 1934 was $93.45. That figure includes children, people on relief, and low-income workers, and is therefore lower than the tax paid by the married man earning $1,500.

TABLE A
TOTAL BRITISH TAX REVENUES, 1933-34
(Year ending March 31, 1934)
a pound equals five dollars

NATIONAL TAXES:	(Pounds)		(Dollars)
Income tax	228,932,000	—or—	$1,144,660,000
Surtax and Supertax	52,590,000		262,950,000
Estate, etc., Duties	85,270,000		426,350,000
Motor Vehicles Duties	30,712,000		153,560,000
Stamp-excl. of fees, etc.	22,710,000		113,550,000
Excess Profits Duty	1,800,000		9,000,000
Land Tax	600,000		3,000,000
Land Values Duty	200,000		1,000,000
Customs	179,177,000		895,885,000
Excise	107,000,000		535,000,000
TOTAL	708,991,000		$3,544,955,000
LOCAL RATES:			
England and Wales ('32)	148,280,000		$741,400,000
Scotland ('31)	19,614,000		98,070,000
North Ireland ('33)	1,639,000		8,195,000
TOTAL	169,531,000		$847,655,000
TOTAL OF NATIONAL TAXES AND LOCAL RATES	£878,522,000		$4,392,610,000

(Figures for National taxes originate from Statistical Abstract of the United Kingdom. Local Rates supplied by the Treasury of the United Kingdom.)

It will be seen in the foregoing table "A" that income tax is the British taxpayer's greatest burden. It constitutes one fourth of all British taxes, and we have seen that the remaining taxes are not burdensome.

The National taxes include a great many items which, in America, are a part of the State and local taxes. For example, the British Government bears the expense of the school system, as well as certain kinds of pensions, health insurance, unemployment insurance (the dole), and so on. It should be understood that the various estate duties, death duties, and inheritance duties are not *annual* taxes on any one, and that they do not affect the average man earning $1,500 a year. Nor do the surtax and the supertax affect the average man's tax bill. The gasoline tax is included in the customs revenues, for petroleum is an import. It is more than thirteen cents a gallon. The excise is similar to the American Federal excise and amounts to half a billion dollars. The excess profits and corporation profits tax is small and does not affect the average taxpayer. Taxes placed directly on land are so small as to be purely nominal. The Local rates are levied locally and pay for the maintenance of local roads, cost of local policing, and so on.

France

French taxation is similar to British taxation in that both are essentially levies on income. There are, of course, some exceptions. The British have only a few taxes, but they are heavy. In France taxes are more numerous, and many are heavy, but they do not apply to everyone. The various taxes on income are designed to get the greatest possible revenue from everyone without working hardships on small minorities through blanket taxes.

Considerable revenue is derived from government-owned monopolies on such things as matches, salt, and so on. Rents are extremely cheap but everyone who pays rent is taxed by the Government for an amount equal to 15 percent of his rent. Property is not taxed on its assessed value, but on the annual value of its income. Principal is not disturbed. The many fees and taxes on all sorts of things that people do, and on luxuries, are greatly balanced by the Frenchman's simple mode of living. The family finds a great deal of its pleasure in the home, and that is the centre of its social life. Bathtubs, telephones, and motorcars are not distributed throughout the population as they are in America, and considerably less is spent in every way.

The low cost of living can be strikingly illustrated. A Parisian taxidriver, for example, manages to live on his earnings. His rates are so low that many Americans in Paris use taxis on all occasions. Yet the driver pays about 65 cents a gallon for gasoline. The New York cabdriver owning his own taxi pays only 16 or 18 cents for his gasoline, but has to charge a high rate in order to get along. Stenographers in France earn about half the salaries of stenographers in this country, and this difference holds true in all the lower incomes, much as it does in England.

Another condition applying in both France and England is the great number of people whose income is derived from annuities of one sort or another. Many people attain a modest security by investing their savings in government securities and in insurance annuities, and are content to live on the small but steady returns.

National taxes in France are of two sorts, direct and indirect. The National tax revenues are summarized in table "B."

TABLE B
FRENCH NATIONAL TAXES
(Year ending December 31, 1934)

NATIONAL TAXES:	(Francs)	(Dollars)
Direct taxes on income—both personal income and other income from personal property	10,595,000,000	. . .
Taxes on transfer of property, documentary, securities, and registration fees	5,480,000,000	. . .
Sumptuary taxes: luxuries, amusements, motor license, etc.	542,000,000	. . .
Taxes on non-essential products, as alcohol, gunpowder, etc. (Alcohol—2,002,000,000)	2,139,000,000	. . .
Taxes on Consumption Proper: Customs—5,313,000,000; Indirect taxes; Turnover tax; Special Processing tax; certain commodity and excise taxes	16,381,000,000	. . .
TOTAL NATIONAL TAXES	35,137,000,000	$2,304,987,000
DEPARTMENT TAXES (1930):		
Various rates, fees, road taxes, and relief	4,808,000,000	. . .
LOCAL TAXES (1929):		
Octroi, local fees, etc	8,739,000,000	.
		$878,683,000
TOTAL NATIONAL, DEPARTMENTAL AND LOCAL TAXES	48,684,000,000	$3,183,670,000

(Figures furnished by Bureau de Statistique et de Legislation Comparee, Ministere des Finances, Paris.)

The income level of the average French taxpayer is just above the minimum taxable income, just as it is in England and the United States. The French equivalent of an American income of $3,000 a year is about $1,200 or $1,300. The base of the French general income tax is that amount which, after deductions, exceeds 10,000 francs, or about $625. The rate of taxation on a taxable income up to $1,250 is .96 percent, or practically one percent. In addition to this there are several other taxes on salaries, on farm profits, and on business and industrial profits. These are not blanket taxes, however, but specific levies on specific sources of income. The doctor and the professional man of any calling pays a different tax than the business man, the tax being designed according to the nature of one's occupation. The French taxpayer is besieged by a horde of small fees and licenses. To buy and operate an automobile in France requires an astounding number of permits, fees, and the like. All contracts and legal papers must be on stamped paper, and this and similar small matters bring in a nice sum to the government each year.

It is evident, then, that taxes in France are high. On the other hand it is equally evident that the French income goes a great deal further than the same income in the United States. This is traced to the difference in living standards and the consequent buying power in the two countries. It is not a true comparison to set up an American, an Englishman and a Frenchman, each earning $3,000, and not allow for this difference.

United States

In the United States the tax structure is entirely different from that of either France or Great Britain. The two main differences have already been stated. First, the bulk of our taxes are levied on principal and property value. Our biggest tax—the general property tax levied by the States and localities—is a fixed charge on property which has to be paid whether the property produces any income or not. A notable exception to this is, of course, the Federal income tax, as are the few State income taxes. The Federal personal income tax is not important, however, for it brings in only one twentieth of the entire country's revenue.

Second, our taxes are distributed on an entirely different plan from the European. We really have no definite tax plan at all. The Federal taxes are not the most important taxes in America; the important ones are those levied by the States, counties, and municipalities. The opposite is true abroad. In Great Britain the National taxes are about four fifths of the total tax bill. In France the National tax revenues include almost 70 percent of the total tax revenues. In the United States, the Federal taxes total only a little more than one third of the total tax revenues of the country.

Our individual States are actually sovereign, self-governing countries, and are independent of each other and of the Federal Government in all matters that affect them within their boundaries. This is not really understood here or abroad. When our States federated they gave some of their powers to the Federal Government. This was a matter of practical expediency. But they did not give up their right to levy taxes, and the only restrictions on their power to raise revenue within their boundaries are contained in their own State Constitutions. The result is that the American is taxed many times over by the State and local governments for each time by the Federal Government.

Indirect taxes and special taxes are endless in number and are paid by all the people regardless of income. They lie hidden in rent, for example. Between one third and one fifth of all rents represents property taxes which the tenant pays. The motor vehicle and gasoline taxes exceed one billion dollars in America each year. Of this the Federal Government gets one cent a gallon, while the various State gasoline taxes average about three or four cents a gallon. Almost everything that a man, woman or child uses or enjoys costs more because of the tax which is part of its ultimate sales price. The processing taxes are passed on to the ultimate consumer.

One is astounded to discover that there are about 183,000 political units in America that have the power to levy taxes of one sort or another. They do. In New York State alone there were, at the last count, 10,688 separate taxing units at work. One reason why Chicago had so much trouble with its tax problem recently was because, within the city proper, there were more than 200 different commissions and boards empowered to levy taxes. The average annual telephone bill throughout the country contains about five dollars in taxes that are passed on to the subscriber by the company. The same is true of the electric light and gas bill. The list is long. Every time one buys a package of cigarettes, a tax of six cents is paid. If a man smokes one pack a day, which is not unusual, he pays a yearly indirect tax to the Government of $21.90 a year. The same figuring may be applied to one's consumption of beer, liquors, food, gasoline, rent, clothes, entertainment and so on. Naturally these taxes vary with individuals and localities, but they come to quite a sum. *And everybody pays them.* The average income tax is small in comparison.

In the United States the Federal personal income tax for 1935 was $527,000,000, or something over one twentieth of the total of all taxes, Federal, State and local. The total bill was approximately $9,846,000,000. (See table "C.") This leaves about $9,313,000,000 that was raised by customs, internal revenue taxes, and by all the State and local taxing units. The average man pays his share of these. How much this will amount to depends upon what State he lives in, and many other factors. But if this is prorated on a per capita basis, each of the 126 million persons in the United States nominally has a burden of about $74.

If our $3,000 a year man is single he pays a Federal income tax of $68. If his share in the indirect taxes is added, his total tax burden will be $142. If he is married and has no children he will pay a Federal income tax of eight dollars while his pro-rata of the indirect taxes for his wife and himself will be $148. His total tax burden will then be $156. The per capita tax for the entire United States is $78.14.

It is evident from the foregoing analysis of taxes and methods of taxation in these three countries that few of these taxes can be compared. The different bases upon which they are laid and the varying conditions that obtain in each country make it difficult to find a common denominator that will afford a basis for accurate comparison.

It can be seen, however, that the income tax is not a common standard by which the tax burdens of different countries can be compared. The large number of indirect and miscellaneous taxes count for considerably more in the United States than in Great Britain or France. With the exception of the inheritance tax, the income tax, and a few others, the largest part of all taxes

laid are passed on to the ultimate consumer, whether in rents, intangibles or in material things.

Furthermore, in view of the immense revenues collected throughout the United States for all purposes, we see that the tax burden of the average man is larger than is generally supposed, and that this burden already approaches that of the average man in Europe.

An accurate comparison can be made of the per capita tax burdens, since figures for populations and total revenue collected are available and accurate. While the tax per capita does not represent the tax burden of the average man, it gives the ratio by which taxes per unit of population can be compared with those of other countries, and this comparison bears out the conclusion that our taxes, as they affect the average man, are not very far from the European level, if not, in some cases, even with it.

A comparison of the per capita tax burden in these three countries is given in table "C." The figures are the latest available. Figures for the United States Federal Government are for 1935; Great Britain and France for 1934; and the States of this country mostly for 1933. Two things must be kept in mind. One is that British and French taxes are practically stationary —in fact, British rates have been slightly reduced. The other is that the United States' Federal, State and local taxes are increasing substantially.

Table "C" gives the estimated populations of the countries to correspond with the date of taxes; the total Federal revenues; total regional (State and local) taxes; and the per capita burden of each. Also, the total for the whole country and the per capita burden of the total. All figures are expressed in United States dollars. This simple comparison shows how our taxes stand in relation to British and French taxes, which are about as high as they can be.

From this it would appear that the per capita tax burden, in terms of dollars, in the United States ($78.14) is greater than that of France ($75.80), but still less than Great Britain's ($93.45). With a general increase in tax rates in this country, and with new and special taxes, together with an upturn in some lines of business, there has been a still further increase in the United States per capita. With the inclusion of these new taxes and increases, figures for which are not available, it is possible that the general average of American taxes is now approaching that of Great Britain.

But this United States per capita tax does not apply equally throughout the country. The State tax rates vary widely from each other, and since they constitute the greatest part of the taxes, the effect is to put a light tax

TABLE C

Country	Federal Tax (National)	Non-Federal Tax (State-Local)	Total Taxes (Nat'l & Local)	Total Per Capita
United States pop: 126 million.	$3,621,000,000	$6,225,000,000	$9,846,000,000	$78.14
	Per cap: $28.74	Per cap: $49.40		
Great Britain pop; 47 million...	3,554,955,000	847,655,000	4,392,610,000	93.45
	Per cap: $75.41	Per cap: $18.04		
France pop: 42 million........	2,304,987,000	878,683,000	3,183,670,000	75.80
	Per cap: $54.88	Per cap: $20.92		

burden on some people and an unusually heavy one on others. By crossing a State line one can increase or decrease one's taxes to an amazing degree.

Take the States of New York, Illinois, Arkansas and Washington—representative of different sections of the country—and compare their taxes. There is a wide variation, some per capita rates being three or four times as large as others. There may be sound economic reasons for this, but the fact remains that if a man earning $3,000 a year in Arkansas moves to New York at the same salary, he will pay the same Federal income tax but will pay a State and local tax three to four times as high.

Table "D" shows the total State and local tax revenues (presumably derived from the people and property in each State), the estimated population corresponding to the tax year, and the per capita tax in each case.

TABLE D

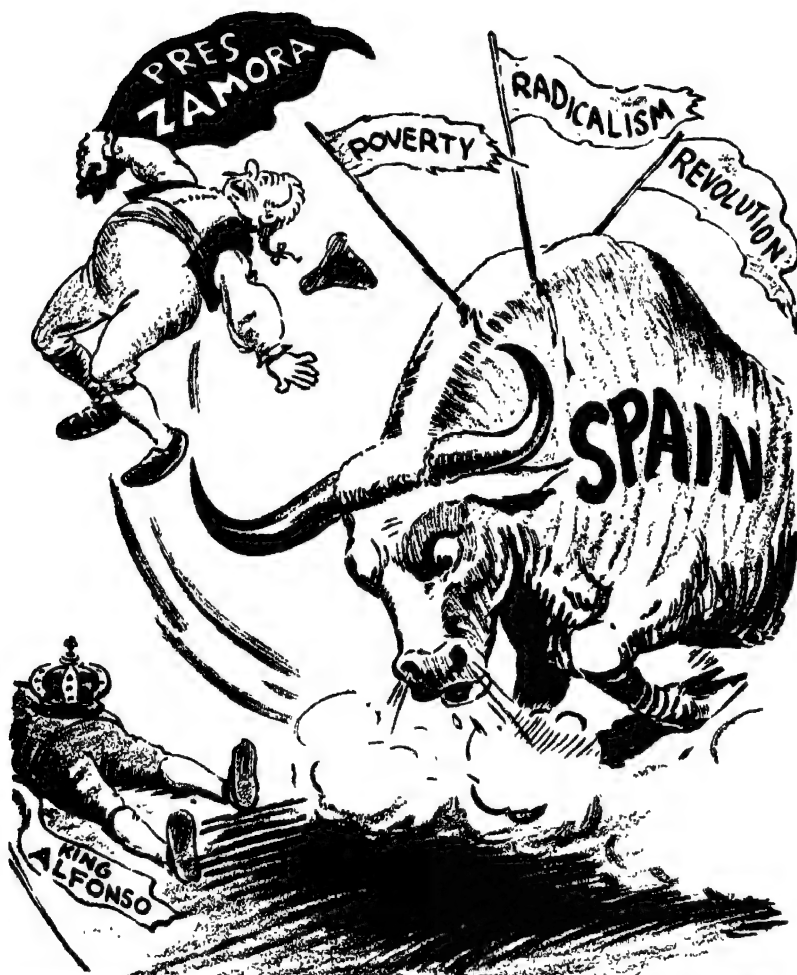
State	Population	Total Revenue	Per Capita
N. Y	13,059,000 ('34)	$1,338,784,000	$102
Ill.. .	7,750,000 ('34)	520,000,000	68
Wash	1,600,000 ('32)	74,629,000	46.60
Ark.. .	1,860,000 ('32)	44,952,000	24 20

If we add the United States Federal per capita tax ($28.74—see the previous table) to each of these we will get the total per capita tax burden depending upon the State of residence. We can then compare the per capita tax of a person living in any State in America, with the United States as a whole, or with the per capita tax borne in any foreign country. For example:

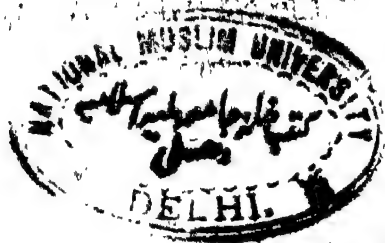
PER CAPITA TAXES

	State		Federal	
Great Britain...				$93.45
France....				75.80
United States (average of whole)....				78.14
N. Y.	$102	plus	$28.74	$130.74
Ill.	68	"	28.74	96.74
Wash...	46 60	"	28 74	75.43
Ark.	24.20	"	28.74	52.94

There are a dozen or more States, the aggregate population of which is about 50,000,000, and the combined Federal and State taxes per capita of which are on a par with that of France and Great Britain. If the Federal government aims to have our Federal taxes approach those of France and Britain for the country as a whole, then it is apparent that there are already about fifty million people in this country, now paying on a European scale of taxes, who will have their per capita raised far above the European rate.

Indications are that taxes are going to increase in the United States. The present plans of the Federal Administration look forward to a Federal tax revenue in 1937 officially estimated at six billion, fifty million dollars. It is impossible to get a current picture of State and local taxes throughout the land, but it may be conservatively predicted that they will increase, too. However, let us add the latest available total of State and local taxes ($6,225,000,000) to the latest Federal estimates. The resulting tax total for 1937 then comes to $12,275,000,000. This is very conservative. On an estimated population of 129 million by 1937, the per capita tax burden will then be over $95.

SPANISH NATIONAL PASTIME

—United Features Syndicate

Spain in Upheaval

by Lester Ziffren

A second Soviet State in Europe? Spain ponders the question. Mr. Ziffren reports.

LIBERAL and labor forces which gave Spain her "democratic Republic of workers" five years ago are again back in the shaky saddle of power, determinedly intent on applying their revolutionary program to the limit. The laborites trust the road will lead to Moscow and the second Soviet state in Europe.

The century-old struggle between the Lefts (workers and liberals) and the Rights (monarchists, clericals and wealthy landowners) continues unabated in Spain. The two camps, uncompromising in their ambitions, maintain the constant menace of civil war. Politics is Spain's great national occupation. It pervades all professions and even pastimes. The impetuous, sentimental, passionate-blooded Spaniard seems unable to find a middle course, and the tug-of-war leads to unrest and revolution. In five years of the Republican regime, the land of Cervantes has experienced four revolutions. In 1931, the Lefts overthrew the monarchy bloodlessly. They suffered a set-back in 1933 when the Rights swept the election boards. But the clerical elements failed to carry out vital campaign promises, permitted political ambitions to prevent approval of a budget, kept constitutional guarantees suspended for almost two years, clamped on a stringent press censorship which effectively silenced public opinion, and saw hunger wages restored in certain agricultural districts. The result: return of the Lefts to power in February 1936. But this time the Republicans and laborites are determined to realize their revolutionary plans to the letter, after applying them only partially during their first lap in power.

The Second Republic emerged fortified by the recent elections. Royalists have virtually abandoned for the moment all hopes of restoring former King Alfonso XIII to his throne. Overconfident and overlooking realities, they visioned the return of the Bourbons. The Left triumph burst the bubble. The Republican Government is now "republicanizing" all Government departments, including the armed forces and the diplomatic corps. It is determined to keep Royalists out of key posts, if not remove them from the Government payroll altogether.

The Left-Wing of Spanish politics embraces the Left Republicans, Socialists, Communists and Anarchists-Syndicalists, constituting what was known in the elections as the "Popular Front"—anti-fascist, anti-clerical, anti-monarchical. The Socialists and Republicans brought the Republic in 1931, but they split in 1933. This year the united

front was extended to include the Communists and Anarchists. The conservatives charge that the Labor forces of Spain are in the pay of Moscow, which is said to have been flooding the country with secret agents for many years. The formation of the Popular Front—bourgeois groups leagued with the very parties whose policy is directed toward their destruction—was the big surprise of the elections. But the strange alliance was made necessary and possible by the complicated Spanish electoral law giving manifest advantages to parties that group candidacies. The Left Republican groups, despairing of obtaining seats without the support of the powerful Socialist organization, came to an agreement on an electoral pact with the labor groups without relinquishing any of their capitalistic principles. Self-defense also forced the organization of the Right bloc with Monarchists running on the same ticket with Republicans. The symbol of the Popular Front is, as in France, the anti-Fascist salute of the raised fist.

Revolutionary Socialists

The Spanish Socialist Party, efficiently organized with stern discipline, has, under the persuasive direction of Francisco Largo Caballero, a former plasterer, become the first revolutionary Socialist organization in history. Although moderate elements in the party are opposed to revolution as the means for scaling the heights toward a proletariat dictatorship, the followers of blue-eyed Largo Caballero apparently hold the upper hand. The revolutionary tendency of the Socialists even surprised the Communists and Anarchists who previously eyed their labor brethren disgustedly as white-gloved individuals. The Spanish Socialists therefore differ widely from their colleagues in Belgium and Holland who are more like Social Democrats, while the French Second International is also less far-reaching in its demands. The Spanish Socialists derive much of their power from the Union General de Trabajadores (General Laborers Union) which they control. This national organization is composed of numerous labor unions with Largo Caballero as Secretary General. Julian Besteiro, a moderate Socialist, is its president, but Caballero has ousted him as the influential factor in its revolutionary support of the party. The Socialists, unlike the British Laborites, have offered no economic plan of government. Their objectives are nationalization of land, railways, banks, big industry and the establishment of a proletariat dictatorship. The party, founded by Pablo Iglesias, essentially an evolutionist, was modeled after the British Labor Party and its moderation rallied many Liberals to its ranks. The bloody revolt of October, 1934, demonstrated that the Socialists were prepared to abandon evolution for revolution. Largo Caballero, who is frequently called the "Spanish Lenin," is now the popular Socialist chief. The Bolshevist tendency in the party enabled an agreement with the Communists and Syndicalists for the first time in Spanish political history. Caballero, during the political campaign, frequently threw out the threat of revolution in the event the Rights won the elections, saying:

"We will continue on our path until we achieve social renovation. Capitalism is in its last phase."

A "Proletariat Triumph?"

The election results indicate that the extremists' hope for making Spain a second Russia can be realized only by employment of violence. The Spanish electorate consists of 13,528,609 voters. The total number of ballots cast amounted, according to official statis-

tics, to 9,408,514 whereof 5,051,955 voted for the Rights and Centrists and 4,356,559 for the Lefts. But the Spanish electoral law produced the election of 266 Lefts and 217 Rights and Centrists. Luis Araquistain, a Socialist close to Caballero and an outspoken admirer of Russia, said, however, in a study comparing the Russian and Spanish revolutions:

"Spain may very well be the second country where the proletariat revolution triumphs. Historic conditions in Spain are closely analagous to those in Russia at the end of the nineteenth century and the beginning of the twentieth. The proletarian revolution process is more intensive and extensive in Spain all the time. I consider its triumph inevitable within a short time."

He said that the recent elections were "for a Republic already on its march toward Socialism."

José Calvo Sotelo, Monarchist leader and Minister of Finance during the Primo de Rivera dictatorship, told an interviewer that "if there is a moment of great danger from Communist agitation, I believe the army will step in and save it if no politician is capable of doing so." He went on: "Socialists in Spain are not like those in England and Belgium. Here 90 percent of them want revolutionary tactics, a dictatorship of the proletariat. I think Spain is bound to have a dictatorship some day, but I do not know whether it will be Left or Right. I do not like dictatorships but I believe democracy in Spain will always lead inevitably to Communism. My ideal is for the country to have some sort of corporative parliament in some ways like Italy, but even more like that of Portugal."

Pointing out that the new parliament has the largest Communist minority in the world, he said, "A new social revolution is being prepared before our very eyes."

Replying to all the talk of Communism, dictatorships and revolution, Premier Manuel Azaña, thick-set intellectual with moon-shaped, impassive face, maintained in his campaign speeches that "our program is not one of social subversion but one of peace and progress."

"Fascism," he said, "is a pastime of idle, badly brought-up dandies. In 1935, the Spanish State was in the hands of those who wanted to use the State powers to destroy Republican institutions and take Spain back to the ominous times of the oppression.

"Not since the times of Fernando VII did Spain see a more ferocious, barbarous reaction. We have not proposed that the Spanish people rise in arms to reconquer their rights. Our program represents true order, political honesty, personal decency, respect for the Constitution, guarantees to the proletariat that its liberties will be respected. We are called Marxists because we defend the fraternity of the workers, because we aspire to a better distribution of wealth and land without social overthrow. We propose respect for public liberty, for a social policy, for the development of riches, placing them in the hands of those who work. We believe none of this is revolutionary."

The Socialists are not represented by any ministers of the Azaña government. Desiring freedom of movement and decision, they refrained from direct collaboration, promising instead to support the Cabinet with their votes as long as the latter met with their approval. Although the success of the Left Republicans could never have been won without Socialist votes, Azaña, chief of the Left Republican Party, insisted in a speech at Toledo that he would never be their "catspaw." Some Rights, however, fearing Caballero's revolutionary aims, liken Azaña to Kerensky, predicting the Spanish

Lenin will overthrow him when he feels the moment is opportune. Azaña would not have a parliamentary majority without the Socialist support, unless his enemies, the Rights, came to his aid. How long he will be able to appease the Marxists is problematical, but as long as he holds to his policy of carrying out the Popular Front program, he should not encounter great difficulties. He said that when the Left-Wing pact is completed, "we will carry out our own program. We are going much further than the Popular Front. The program of any Republican party of the Left or any of the labor parties reaches further than the alliance's pact."

Azaña May Check Reds

The Center and Right sectors are preoccupied with the question of whether Azaña will be able to hold the Socialists and Communists in check. Former Premier Manuel Portela, leader of the Centrists, foresees a split between Azaña and the Socialists and says that "when that time comes, it is necessary that Azaña be able to count on the Centrist forces which, with the benevolence of the Rights, would permit the formation of a government to rule with the present Cortes."

Calvo Sotelo told the London *Daily Telegraph* that at this moment everyone of the Right is hoping that Azaña will check the Red advance.

"At present," he said, "things are not too difficult for him but when his 'honeymoon' with the extremists is a little older, the situation may become strained and dangerous."

The Popular Front electoral program, now being carried out by Azaña, affects religion, agriculture, business education, justice and banking. His ministry already has fulfilled several of its more important promises, including the proclamation of an amnesty for 30,000 political prisoners (most of whom have been in jail since the October, 1934, Socialist revolt), restoration of the Catalonian autonomy statute, reinstatement of civil servants and private employes discharged because of political reasons, and suspension of all payments by tenant farmers to owners of large tracts of land pending reconfiscation and redistribution of the big estates.

Business circles greeted the Left triumph skeptically. Continuous reports of terrorism and of church and convent burnings bred lack of confidence and fear. This finally is beginning to disappear but the process is slow. The stock markets of Madrid, Barcelona and Bilbao suffered severe slumps but they are recovering. Responsible banking quarters feel Azaña will do everything in his power to resist Socialist pressure for extreme measures, pointing out that in the Popular Front program, he rejected the Laborites' demand for nationalization of land and banks and a dole for the unemployed. The program calls for reform of direct and indirect taxation, redemption of the peasantry, land reform, protection of industry, reforms in public works, finance and banking—including liquidation of the reserves of the Bank of Spain—revision of social legislation, extension of public education, and a foreign policy directed toward adhesion to the principles and methods of the League of Nations.

Largo Caballero in a speech in Madrid asserted that "the Left bloc program is a moderate program within the Constitution."

"We did not ask for anything nor did we want anything outside of the Constitution," he maintained. "Who is so simple as to believe that the working class is interested in preventing an economic reconstruction?"

The independent newspaper, *Ahora,*

reviewing the economic situation, states:

"Since the initiation of the Moroccan campaign, it has been a rare year in which the budget could be liquidated without a deficit. The public debt has been growing. So have taxes. And the deficit has become chronic. Unemployment must be ended as soon as possible."

(On December 31, 1935, Spain had 674,161 unemployed.)

Balancing the Budget

Minister of Finance Gabriel Franco will have to battle the budgetary deficit problem. The use of red ink on the books of the Treasury has become more extensive year by year. The Republicans attribute the difficulty of balancing the budget to the huge sums spent during the Primo de Rivera dictatorship, but although the deficit in 1931, when the Republic was founded, amounted to 198,000,000 pesetas, in 1934 it had risen to 506,000,000 pesetas. The total for 1935, so far not available, is expected to be still greater. Spain's foreign trade has shown an increasingly unfavorable balance in recent years, thereby creating a grave foreign exchange problem. There are not adequate exchange facilities, and this obstacle is holding up the commercial treaty with the United States, which has been under negotiation for the past two years. Spain is some forty to fifty million dollars behind in its deliveries of exchange and $35,000,000 of this amount are due United States exporters.

Business men also are worried about the position of the peseta because of the belief in some banking quarters that it will drop as a result of the foreign exchange problem. Although the Minister of Finance denied that devaluation of the peseta was being considered, financial circles recalled a speech made by Azaña in October, 1935, before a mass meeting of 400,000 persons on the outskirts of Madrid, in which he said that the steadily growing amount of frozen credits was caused "by the erroneous policy of prestige which insists on maintaining the peseta above its real value, thereby paralyzing the foreign exchange control bureau, producing its insolvency and freezing credits.

"With the peseta quoted above its value, Spanish imports increase, exports fall and the increase in importation aggravates the problem by making the annual unfavorable balance still greater," Azaña maintained. "Continuance of this policy will lead to a catastrophic situation and bankruptcy. Two solutions remain—exportation of gold or a foreign loan. Thus we will have a situation unknown since the colonial wars: flotation of loans abroad with an inevitable fall of the peseta on the horizon."

Issues of Religion

Ever since 1931, Rights have identified Lefts with the burning and desecration of churches and convents. Azaña in a famous speech in the Cortes said, "Spain is no longer Catholic," bringing recriminations from the Rights and approval from the Lefts. Spain's relations with the Holy See during the first Azaña governments of 1931-33 were anything but cordial. Blazing convents, the ousting of Cardinal Segura for alleged political intervention, separation of the Church and State, and dissolution of the Jesuit order, strained relations between the Vatican and the country whose former king used to take pride in the title, "His Catholic Majesty."

When the Rights came to power in 1933, negotiations were undertaken, with the encouragement of white-haired, squint-eyed President Niceto

Alcala Zamora, a faithful Catholic, with the Holy See for a modus vivendi to lead eventually, it was hoped, to a concordat. What will happen to these negotiations has not been learned. Azaña and his Ministry are more concerned over immediate internal problems. He declared in an interview, however, that "we are not here to persecute but to apply the Constitution and the laws, inspired by a spirit of liberality and liberty of conscience." He said, "We will not persecute anyone, neither Catholics, Protestants, nor Mohammedans." He has given no cause to believe that he has changed his opinion during the last two and a half years regarding the religious question. He and most Lefts attribute a great deal of Spain's ills to the church influence. Their attitude and actions provoked the Catholic Rights to campaign against what they termed "persecution of the Church."

Azaña is expected to apply to the letter Article 26 of the Constitution on the separation of church and state and the dissolution of the religious orders. In a nation-wide radio broadcast, the spectacled Premier promised that no one would be persecuted "as long as the Republic's laws are not violated." This was interpreted to indicate that he was willing to see Catholic opinion support the regime, but he would never permit the Church to gain its one-time influential position. The problem was widely discussed during the electoral campaign by the Rights and the Lefts. *El Debate*, a Catholic organ, said: "Socialists, Communists and Anarchists have united to march toward a victorious October. October signifies the bloody persecution of religion."

El Socialista, organ of the Socialist party, asked: "Why does the Church, removing itself from its own activities, intervene in politics? Why does it inevitably incline to the side of the rich against the poor? Through the mouth of the Cardinal Archbishop of Toledo, the Church warns its clientele to vote for the Rights. The Church is one more political party in Spain—the party of the bankers, the big landowners, the usurers, the money-changers. They will say the triumph of the Popular Front will signify the return of Lucifer to the earth, the death of the family, the permanent revolution. If, after the Left-Wing alliance redeems the Republic, the Government takes measures of precaution against the Church, it will only be doing what corresponds exactly to the subversive action of the clergy."

Azaña, speaking at Toledo, refuted the persecution charge. "It is a falsehood that the Republic desired to persecute any religious confession," he said, "No believer has seen himself deprived of his spiritual exercises. We have not broken with Rome." To all this, the Rights point to the ashes of churches and convents destroyed in May, 1931, and in February and March, 1936.

Land Reform

Creation of a new class of small landowners or peasant farmers through extensive land reform will be one of the principal objectives of the latest Left revolution. The movement to permit laborers to gain a measure of independence was undertaken by the earlier Azaña governments after parliament took a year and a half to approve the project. But the first agrarian reform proved a comparative failure, as Azaña admitted in a campaign speech.

"The Republic decreed an agrarian reform which extended to twelve or fourteen provinces," he declared. "Experience has confirmed that it was erroneous to distribute the effort to all the provinces. I believe it is more useful,

just and efficacious to concentrate this reformation effort in two or three provinces, and in a couple of years realize it totally and as a test for the others."

In another address he said: "We are not thinking of dividing property unless the measure is justified."

The necessity for the agrarian reform was maintained by none less than Fascist leader, José Antonio Primo de Rivera, Marquis de Estella, son of the late dictator. He declared in parliament that rural life in Spain was intolerable. He cited instances of women being paid one peseta (14 cents) for nine hours' work in the fields. He named a village where every building, including the church, the cemetery and the town hall, belonged to a female descendant of a feudal lord, who thus held the whole population at her mercy. He said these conditions warranted drastic action.

A modification of the original agrarian reform law was voted by the Center-Right Cortes last year, providing indemnity to the grandees for all estates seized, and rent for land confiscated but not paid for by the State. Although they approved this modification, the Rights made the blunder of not getting it applied, thereby causing further dissatisfaction among the disgruntled landowners who were supporting them financially and politically. The modification has been suspended by the Azaña Government and the original reform will be put into effect, although the indemnity clause of the Rightists' revision may be retained in order not to cause further slump in property values.

The Azaña Government will seek decisive solutions for the educational problem. According to the 1930 census, illiteracy was 45.5 percent. Religious education was prohibited by the Law of Confessions and Congregations enacted in May 1933. When the Rights triumphed late in 1933, the prohibition was forgotten. The return of Azaña in 1936 brought prompt measures to assure the termination of teaching by priests and nuns. Ten thousand six hundred new schools will be built during the next two years to replace religious schools, according to the Minister of Public Instruction. *El Socialista,* in a campaign article, urged the party comrades to vote "so that the children will have the schools they need; that the stultifying influence of the priests and nuns may end." The government will gradually suppress Catholic education as the laic school system expands.

Obstacles Before Azaña

The difficulties facing Azaña are innumerable. Not only will he have the economic, social, religious, educational and financial problems to deal with, but the political stumbling block of the labor forces will also keep him occupied. He is recognized as virtually the only Republican able to control them, due to his authority and prestige, but the Socialist monthly *Leviatan,* warned him he could not ride the political fence.

"Peace and concord are chimerical," the periodical stated, "and no less chimerical is a policy of conciliation or of the center. Either revolution or counter-revolution. There is no middle course. He who dreams of half-way terms is exposing himself to being burned between two fires."

Declaring the Government is more conservative than it was when it sat on the opposition benches, Largo Caballero said: "If, despite our warnings, it follows that path, the Socialist Party will rise in opposition and there will be another revolution."

Azaña knows that to the great proletariat masses of Spain the Left triumph signified a new opportunity to

better their lot and promised the elimination of hunger wages, reduction of illiteracy, limitation of the Church influence, security for employment, better working conditions, disappearance of unemployment, equal standing with employers and capitalists, liberal, tolerant governments, the end of privilege and the application of social justice. The Rights, on the other hand, are banking on Azaña to hold back the Socialist and Communist masses because to them Azaña is the lesser of two evils. Their defeat was a great disenchantment and they have not recovered from the blow. They realize that Spain will undergo another revolutionary period, and they only hope it will not be as black as they fear. The veritable political mosaic which the Popular Front represents will make solid discipline difficult to maintain for a long time. But the independent, meticulous newspaper, *El Sol,* echoing the sentiments of most Liberals and many Rights, believes Azaña, "with well-won authority, because of his rectilinear conduct, political austerity, governing capacity, his preparation and competence, will and talent," will be able "to incarnate a policy of equilibrium, giving the country a feeling of security and breeding confidence leading to pacification."

WHICH WAY, LABOR?

—*Salt Lake Tribune*

the why and wherefore of an important controversy

craft VS. industrial union

By Arthur E. Suffern

RECENTLY the public has gained a new appreciation of the cleavage between craft and industrial unions in the American labor movement. The craft union, composed of skilled workers, was the earliest form of labor organization in the United States. The carpenters formed a local craft union in Philadelphia in 1791. As markets broadened the craft unions became national in scope. After the Civil War efforts were made to unite many craft organizations into one large national union. The National Labor Union, organized in 1866, and the Knights of Labor, organized in 1869, are illustrations. The former soon gave way to the latter which included unskilled as well as skilled workers and by 1886 the Knights of Labor was the most important labor organization in the country.

However, many of the craft unions which had participated in the activities of the Knights of Labor concluded that they could serve their interests better in another form of organization. As a result the American Federation of Labor was formed in 1886, and by 1900 it had supplanted the Knights of Labor. It was mainly a federation of skilled crafts unions; the unskilled were left to shift for themselves. This occurred during a period when large corporations and combines were acquiring an increasingly dominating position. Skilled craftsmen were being displaced rapidly by semi-skilled machine tenders. Mass-production industries called for combined action of the skilled, semi-skilled, and unskilled workers if they were to attain equality of bargaining with large corporations and combinations. The American workers, however, have been slow to realize this, with the result that it is now the most pressing problem before them. The chief issue between the craft unions and the industrial unions at present is whether it is necessary to organize the vast number of skilled, semi-skilled, and unskilled workers in mass-production industries in the form of industrial unions.

The A. F. of L.

As the name suggests the A. F. of L. is a federation of national and international unions.[1] It has only the power surrendered to it by these autonomous bodies. In 1932, of the 107 unions in the federation, 30 were classified as craft unions, 62 as amalgamated unions, and 15 as industrial unions. Another study published in 1933 declares that not more than 25 unions are pure craft unions, that at least fifty are amalgamated unions composed of interrelated crafts, and that all the others, except one or two, are semi-industrial unions.

[1]The term "international" is applied to unions which have members in Canada.

The strictly industrial union, of which the United Mine Workers of America is the best example, includes all the wage workers in and about the mines. This all-inclusiveness is the main characteristic of the industrial union—one toward which the semi-industrial unions are aiming because it gives greater effectiveness in bargaining power.

Obviously the federation is predominantly a craft and amalgamated craft organization. In 1935 the 109 national and international unions reported a paid-up membership of 2,933,858, which serves as the basis of their voting power in the federation. They have many unemployed and disabled members who are not required to pay dues as long as they are so situated. The national and international unions have paid organizers who seek to increase membership. The federation also has organizers for local federal labor unions and local trade unions which receive charters directly from the federation. In 1935 there were 1,354 such unions with a total membership of 111,489 paying dues directly to the federation. These added to the paid-up membership of the national and international unions made a grand total of 3,045,347 in the federation.

The federal labor union is composed of various classes of workers in one industrial establishment. This type in many cases is an industrial union in embryo. Organized in all the establishments of an industry, it could be welded easily into a national or international industrial union. The failure to carry out this process is one of the main complaints of those who favor the formation of industrial unions.

The federation also organizes local trade unions whenever the craftsmen are numerous enough to be so organized. After they are organized they are turned over to the appropriate national or international unions. Likewise, after federal labor unions are organized, the skilled craftsmen among them in many cases have been turned over to national and international unions. The proponents of industrial unions say that this frequently disrupts federal labor unions and accounts largely for the failure to develop national and international industrial unions, particularly in the mass-production industries.

Why Industrial Unions?

Where industrial or semi-industrial unions have developed, the workers have found from experience that they increased their bargaining power. The same may be said regarding the combination of craft unions into amalgamated unions. In coal mining the skilled miners took the initiative in forming an industrial union. They insisted that all semi-skilled and unskilled workers as well as skilled craftsmen, such as carpenters, blacksmiths, and electricians, must have a scale of wages made for them when the general wage contract was negotiated, and that no one class of workers could strike to obtain changes in the agreement. This prevented stoppages while the agreement was in force and added effectiveness to the bargaining power of those who could easily be replaced if they did strike.

With the growth of large-scale industry during the last quarter of the nineteenth century and after, complicated changes in tools, materials and industrial processes made it more and more difficult to avoid jurisdictional disputes between craft unions. In mass-production industries a skilled worker may do several jobs during the day that would fall under the jurisdiction of different craft unions.

In 1901 the United Mine Workers

demanded jurisdiction over all workers in the coal industry. Similar demands were made by the brewery workers, longshoremen and others. As a result, a compromise was reached in 1901 in the so-called Scranton Declaration of the A. F. of L. convention. This provided that the interests of craftsmen could be served best by craft unions insofar as the "recent great changes in methods of production and employment make (it) practicable." It recognized, however, that in "some few industries . . . the overwhelming number (of workers) follow one branch thereof and comparatively few workers are engaged over whom separate organizations claim jurisdiction." In such industries "jurisdiction by . . . the paramount organization would yield the best results, . . . at least until the development of organization of each branch has reached a stage wherein these may be placed, without material injury to all parties in interest, in affiliation with their national unions."

This declaration obviously left the door open for jurisdictional conflicts. But out of the hundreds of disputes between 1900 and 1931, only 29 amalgamations were effected. Furthermore, amalgamation is hindered by traditional attitudes, differences in systems of benefits and dues, and the desire of craft union officers to be supreme in their domain. In spite of steady opposition to industrial unionism, frequent demands have been made for complete reorganization of the A. F. of L. on the basis of industrial unions, particularly when recurring attempts to organize the mass-production industries have met with failure.

Compromise

In 1934, the A. F. of L. convention unanimously adopted a resolution authorizing the Executive Council "to issue charters for national or international unions in the automotive, cement, aluminum and such other mass-production industries" as it found "necessary to meet the situation", described as "under the control of great corporations . . . which have resisted all efforts at organization." The council also was ordered to promote and conduct a campaign of organization in the iron and steel industry. When the council chartered industrial unions it was ordered "for a provisional period" to "direct the policies, administer the business and designate the administrative and financial officers of such newly organized unions."

This resolution, along with the fact that the Executive Council was enlarged to include several representatives and advocates of industrial unionism, led many to expect that the way was clear for effective organization of mass-production industries.

However, representatives of craft unions called attention to a provision in the constitution of the A. F. of L. prohibiting the granting of charters "without a positive and clear definition of the trade jurisdiction claimed by the applicant". Furthermore, a charter cannot be granted, "if the jurisdiction claimed is a trespass on the jurisdiction of affiliated unions, without the written consent of such union."

The full import of these prohibitions may be seen, for examle, in the fact that the machinists' union could block the grant of a charter giving complete jurisdiction to an industrial union in the automobile industry merely by claiming control over the machinists. The machinists' union might have no members in the automobile industry and the machinists therein might prefer to belong to an industrial union; nevertheless, the machinists' union has the right to claim jurisdiction. If all the workers in the automobile indus-

try were determined to have an industrial union they would have to organize without a charter from the A. F. of L. and remain outside the federation unless it changed its constitution or unless the machinists' union surrendered jurisdiction.

Executive Council Acts

The Executive Council reported to the A. F. of L. convention in 1935 that it had granted a charter to the International Union of Automobile Workers of America, having jurisdiction over all employes directly engaged in the manufacturing and assembling of parts. However, it did not include the makers of tools, dies and machinery, nor those employed in job or contract shops manufacturing parts. All questions of overlapping jurisdiction in the manufacture of automobile parts and of special crafts organized were left for further consideration by the council.

The charter granted to the Rubber Workers International Union denied jurisdiction over those who construct buildings, manufacture or install machinery, or engage in maintenance work or work outside the factories.

"Preliminary steps" had been taken to organize the workers in the cement, aluminum, gas, coke and by-products, and radio industries, but the council did not believe "the time was ripe" for establishing national unions. Furthermore, no organizing campaign had been carried on as ordered in the iron and steel industry, because internal strife in the Amalgamated Association of Iron, Steel and Tin Workers, which has jurisdiction over the industry, had made it impossible.

Many had understood that the adjustment in 1934 would permit the Executive Council to issue charters giving complete jurisdiction to industrial unions. Evidently there was great dissatisfaction with its failure to do so. Nine resolutions were introduced in the convention calling for charters establishing industrial unions in specific industries. Thirteen resolutions called for industrial unions to replace existing national and international unions. Two of these were introduced by international unions, two by delegates from State federations of labor, and the others by delegates from federal labor unions.

The majority of the committee on resolutions, composed of eight members, recommended the continuance of the policy established in 1934 which would restrict the jurisdiction of industrial unions, so-called, chartered by the Executive Council, and would permit the craft unions to claim craftsmen organized into federal labor unions and industrial unions. The minority, composed of seven members, pointed to the failure of past policy to fulfill the principal purpose of the labor movement, namely, to organize the unorganized workers. The enrollment of about three and a half millions out of 39 millions of organizable workers, they declared, "is a condition that speaks for itself." They insisted that the workers in mass-production industries should be given unrestricted charters as industrial unions, and that the Executive Council should be instructed to carry on a campaign of organization for that purpose.

However, they declared that it was not their intention to take away from national or international unions "any part of their present membership, or potential membership in establishments where the dominant factor is skilled craftsmen coming under a proper definition of the jurisdiction of such national or international unions."

On the other hand this was followed by the statement that it was their purpose "to provide for the organization

of workers in mass-production and other industries upon industrial and plant lines, regardless of claims based upon the question of jurisdiction."

Although there are obvious inconsistencies in these statements, the debate revealed that the real purpose of the minority was to permit complete industrial unions in industries where craft unions did not have a foothold, and to prevent the craft unions from disrupting industrial unions by making jurisdictional claims. They failed to point out, however, that this policy would require a change in the constitution of the A. F. of L., unless the craft unions were willing to surrender their jurisdictional claims in industries in which unrestricted charters were given to industrial unions.

It is significant that the minority was composed of representatives of craft unions as well as industrial unions, and when the vote was taken, the minority report received 10,933 votes compared to 18,024 in opposition. The minority report received the support of 23 national or international unions and of a majority of the delegates from city central bodies (local federations) and from State federations of labor. It is estimated that the minority vote represented 1,100,000 members of the A. F. of L., or more than 36 percent. This means that there must be a strong sentiment among craft and amalgamated craft unions for the building of industrial unions in industries where that form of organization would be more effective than other forms. Furthermore, it is a sentiment which may well increase and attain a majority in the A. F. of L. convention, particularly if the American labor movement is put more and more on the defensive by employers.

It is likely, moreover, that the sentiment will be increased by the action of the A. F. of L. itself. For example, the Executive Council not only refused an unrestricted industrial charter to the automobile and rubber unions, but it supported the teamsters' union in its demand for jurisdiction over the teamsters in the brewery industry, where the brewery workers' union is supposed to have complete jurisdiction. The council refused an industrial union charter to the federal labor unions in the radio industry and assigned them to the electrical workers' unions Likewise, the local unions among the loggers, lumbermen, timber workers, shingle weavers, and sawmill workers were refused an industrial union charter and were assigned to the carpenters' union. It is questionable whether these actions will be accepted by the workers thus allocated, as there are indications that they are determined to have industrial unions either by affiliation with the A. F. of L. or without it.

Convention Aftermath

On November 10, 1935, it was announced that representatives of eight national and international unions[6] had formed a Committee for Industrial Organization. The committee's declared purpose is to help organize the unorganized and bring them into the A. F. of L.

Several days after the announcement, William Green, president of the A. F. of L., sent a letter to the members of the committee saying that efforts to organize movements within an organization were "productive of confusion and fraught with serious consequences" because they generally establish "a line of cleavage" which may result in dual organization. He

[6] Coal miners' union; typographical union; amalgamated clothing workers' union; ladies' garment workers' union; textile workers' union; oil field, gas well, and refinery workers' union; cap and millinery workers' union; and the mine, mill, and smelter workers' union

concluded by urging the committee to abide by the vote of the convention and to try to gain a majority in succeeding conventions.

On November 23 John L. Lewis, president of the miners' union and chairman of the committee, resigned his position as one of the vice presidents of the A. F. of L. He and the other members of the committee insisted that the duty to organize the unorganized overshadowed all other considerations; that minorities in the labor movement, in government and everywhere, are not obligated to confine their efforts to winning a majority in conventions, legislatures, etc.; that they have a right to appeal to the rank-and-file for support of the minority policy; that it is not the purpose of the committee to "raid" the membership of established unions or to use unethical or coercive methods, or "to infringe upon their rightful jurisdiction", or to influence them to change their form of organization from craft to industrial; and that the committee is not promoting a cleavage or dualism in the labor movement. Rather, it seeks "to alter a policy which now invites dual organization" when craft unions claim jurisdiction over workers organized in federal labor unions which are seeking to build industrial unions.

Formerly William Green, as secretary of the miners' union, was a strong advocate of industrial unionism. On December 7 Mr. Lewis invited him to resign from the A. F. of L. presidency and become chairman of the Committee for Industrial Organization at a salary equal to what he is now receiving. Mr. Lewis declared that "the position will be as permanent as the one you occupy" and that Mr. Green "would have the satisfaction of supporting a cause in which you believe inherently, and of contributing your fine abilities to the achievement of an enlarged opportunity for the nation's workers." In his refusal to accept this invitation, Mr. Green pointed out that he had never encouraged dualism and would not now; that he was governed by the action of the convention and would carry out at any cost the policies voted there; and that when he could not do so, he would resign.

At its meeting on January 23, 1936, the Executive Council declared that the Committee for Industrial Organization is "a challenge to the supremacy of the A. F. of L." and that it would "ultimately become dual in purpose and character." It therefore asked for the dissolution of the committee and appointed a special committee to confer with Mr. Lewis and his colleagues with that end in view. Charles P. Howard, president of the typographical union and secretary of the Committee for Industrial Organization, replied that since the A. F. of L. is composed of both craft and industrial unions, "it is no more illegal or unethical to conduct a campaign for organization on an industrial basis than it is to promote organization on a craft basis." Furthermore, he said, the committee is not chartering unions, nor is it seeking to organize groups which will be outside of the A. F. of L. Finally, he insisted that unless the committee can be convinced that its activities are "harmful rather that beneficial to the interests of the nation's industrial workers, the campaign of education will be continued."

The convention of the miners' union on January 30 supported the action taken by Mr. Lewis and his colleagues to develop industrial unions and voted authority to the executive board of the union to withhold some $48,000 in dues payable to the A. F. of L., if the board saw fit to do so. This indicated how far the unions favoring industrial unionism could endanger the financial

welfare of the A. F. of L. if they withdrew and supported another federation.

Mr Green in a prolonged and impassioned plea to the miners' convention asked for a reversal of its stand in the campaign. Mr. Lewis did not deign to reply, except to ask those who had changed their minds to stand. Only two of the 1,700 delegates arose.

On February 20, Mr. Green sent a letter to all bodies directly chartered by the A. F. of L., informing them that the Executive Council is determined not to permit the establishment of any organization within the A. F. of L. "which even approximates dualism in purpose and character", and warned them not to send any support to that end. This implied a threat to revoke the charters of those who gave such support. Furthermore, it was a definite incitement to revolt on the part of unions determined to support the Committee for Industrial Organization, thus increasing the chances that a separate federation will be organized to promote industrial unionism. On the other hand, if industrial unions were to grow within the A. F. of L. at anything like the rate desired by the committee, it would not be long before they would have the majority vote in the convention. How much recognition of this accounts for the determined stand against the committee remains to be seen.

As an indication of its desire to organize the workers in mass-production industries and have them affiliate with the A. F. of L., the Committee for Industrial Organization on February 23 sent Mr. Green an offer to contribute $500,000 toward a fund of $1,500,000 to carry on a campaign in the steel industry. As a condition, the committee required assurance that the workers organized would "remain united in one industrial union" and that direction would be given to one who understands the problems of the steel workers and who will work in cooperation with an advisory committee composed of representatives of the unions supporting the campaign. The committee insisted that this is a very favorable time for the campaign because the steel workers in "company unions"[7] are making concerted demands for better wages and working conditions. Mr. Green replied that the offer would be submitted to the Executive Council which meets in May and which alone "is clothed with authority to pass upon the conditional proposal you make."

On March 6 Mr. Green announced that the Executive Council at its January meeting had decided on a plan for organizing the steel industry requiring a fund of $750,000, the appointment of a representative of the A. F. of L. to head the campaign, and the conduct of the campaign in accordance with an agreement with the Amalgamated Iron, Steel and Tin Workers Union. The plan also calls for a conference "at the earliest possible date" of representatives "of organizations interested in and directly affected by" the campaign. This last item suggests that the craft unions are likely to be very alert about jurisdictional claims.

In an address on March 29 Mr. Lewis issued a challenge to the A. F. of L. to submit to a referendum vote of the rank-and-file the question whether they would prefer craft or industrial unions. He insisted that there would be such an overwhelming demand for industrial unions that the craft union officials would either have to accept industrial unionism or resign.

It is unlikely that his challenge will be accepted. In short there is no indi-

[7]Organizations in each steel plant, encouraged and recognized by the company as a means of counteracting the growth of craft or industrial unions.

cation at present that the craft unions which hold the balance of power in the A. F. of L. are going to surrender it voluntarily, or that they are going to sanction exclusive jurisdiction to industrial unions formed in industries where the craft unions can claim jurisdiction over certain classes of workers. It is this attitude, more than any other perhaps, which may bring about the formation of another federation composed of unions which are ready to support the growth of industrial unions.

LIFE OF A SWORD SWALLOWER

—Manchester Union

The old and new, the East and West, present the

JAPANESE ENIGMA

By CHARLES HODGES

"JAPANESE Election Dullest on Record . . ." ran the head on a scant column news story on an inside page. Within the week, banner headlines streamed across the front page day after day as the bloody Tokyo coup d'état failed just short of its sanguinary object—the assassination of constitutional authority.

To the Occidental mind, the *rat-a-tat* of the news machine-gunned across the Pacific makes a staccato motion-picture version of militarism, gangsterism and fascism with an Oriental twist. To the Japanese, the "February 26th Affair," as it is going down in history, is distinctly a family matter. Foreigners should mind their own business while the rival spokesmen of Nippon's twenty-five hundred years of imperial loyalty argue and shoot it out within ear-shot of the Mikado's moated and mossed palace walls.

This Japanese enigma—a world power so "modern" yet so tradition-bound—may not be entirely within the power of the Western mind to unravel. Nevertheless, more of it can become public property than the Japanese are willing to admit. Though our friends across the Pacific are past-masters at withholding all the facts in the case, this national trait has its limits. Piecing together the Japanese tragedy, we find a conglomerate of tradition and change, patriotism and selfishness, idealism and sanguinary realism compounded into a national way of life that can be understood yet disavowed by the outside world.

Japanese leaders are keenly aware of the practical consequences of this gulf between themselves and the rest of us.

"I am very sorry . . .", Admiral Saito, the murdered Lord Keeper of the Privy Seal, kept on repeating to me as we talked over his policies while head of the Government. "Japan has lost good understanding; our motives are not appreciated. This does not mean that we are seeking isolation. We must go along with the leading powers; we cannot go alone—very sorry. . . ."

With that truly Japanese mixture of statesmanship and fatalism, those in the high places of Tokyo have both planned and feared the events of 1936.

There are many threads to the pull of events. The longest reach to the Emperor of Japan himself—and, through his august person, go back to the divine ancestors and the founding of the Empire on a precise October day in 660 B.C. The more sinister entwine about the War Office, the Army, the Navy, their fascistic civilian allies and hired gangsters bound together by the psychology of patriotic terrorism. The most enduring are the economic and social bonds that bind

Japanese politics in a tight knot which has yet to be cut even by the direct action of militarists. All together, these cords of Far Eastern destiny combine to make the Mikado's Land distrusted by erstwhile friends and hated by hostile neighbors.

When 1936 opened, Japan's always nervous national psychology was surcharged with apprehension over the threefold crisis long felt to be impending. The Army, apart from its turbulent domestic maneuvers for power, felt the Soviet Union to have become the major foreign menace to Japan in East Asia. The Navy, withdrawing from the London Naval Parley on the ship parity issue with the British and the Americans, was alarmed over sea power on the Pacific. Inside Japan, political and more underlying social unrest joined to force decisive action from rival groups coming to be dominated by a rule-or-ruin policy of state.

Ample precedent existed for a program of direct action

The "May 15th Affair," the first of three dangerous incidents between 1932 and 1935, showed the temper of the opponents of liberalism. The assassination of Premier Inukai came as the culmination to earlier murderous attacks on public officials and business leaders with two outstanding fatalities; young Army and Navy hotheads combined with civilian terrorists of the same turn of mind to bomb their way to a self-proclaimed new deal for Dai Nippon. This idea of a "Great Japan" based upon the "acceptance of the Essential Pathway of national life" as promulgated by leaders of the Emperor's land and sea forces, twice more exploded with unsuccessful political results. The first conspiracy brought jail sentences to the young officers and to the leaders of the supporting "Blood Brotherhood." The second, in the fall of 1932, was betrayed to the police on the eve of the "God-sent Troops," getting into action with a similar program of assassination of governmental officials, seizure of Tokyo, and proclamation of a puritan-like Army regime. The third, that of the "Death-Defying Troops," planned for the close of 1933, once more plotted death for the cabinet, the head of the hated major political party, and seizure of the capital with funds looted from a bank—to be followed by martial law as the military stepped into power and suppressed the Imperial Parliament or Diet. Details such as the leaders of the revolt arranging to gather subsequently at the Imperial Palace gates, to shout three *banzai* or Nipponese cheers, and to commit *harakari* or ceremonial suicide, in order to demonstrate the integrity of their purpose to the Emperor, show the slant of these patriots.

Seen in the light of these attempts, each followed by trials where the defendants appeared as national martyrs moved by the highest patriotic motives, the even more carefully prepared "February 26th Affair" shows how right Japanese leaders were to distrust 1936. Equally clear is the need for foreigners to understand the deep-set motives which continue to operate in the Mikado's Land today.

These patriots, whatever their stamp, hold to a common conviction that Japan must turn back the clock of history. Their slogan, the "Showa Restoration," tells the whole story. It represents an effort to revive the ancient Japanese customs but within the framework of modern military power which will assure the Empire's ascendancy in the East.

These ideas are deeply embedded in the traditional life of Japan. Postwar forces have operated to bring them to the turbulent surface of Japanese politics. Here they clash with the foreign ideas and institutions imported

from the West to climax in the bloodshed of this spring.

Crystallized into patriotic organizations, this anti-foreign and reactionary thought has produced some seventy societies ostensibly dedicated to saving the nation. The "ronin"—men-at-arms in Old Japan without a master—constitute a following estimated at several hundred thousand who still live in the twilight of the feudal order. Banded together under lofty names, they actually racket a living out of the demands for "contributions" from the "degenerate" exponents of new ways in trade and politics, even selling loudly proclaimed patriotism to the politician who has the price to use them in electoral campaigns.

Then there are the "soshi," the last of the humbler following from feudal days, who find purchasers for their brawling brawn through "violence brokers." These freelance warriors have brought thuggery into Japanese politics on a personal basis as the intimidators of rivals and defenders of employers from counter-assaults.

The combined effect has been to establish a tradition of violence in Japanese public life which only needed astute direction to produce a patriotic terror. This came from above at the strategic moment of the Japanese Army's coup in Manchuria; such use of the mailed fist in September 1931 was designed to block the efforts of the Foreign Office to bring about a peaceful settlement of the outstanding disputes with China.

Underneath colorful titles such as the Taikosha or "Great Action Society" and the fascist Taika-kwai or "Great Culture Society", there was the common ground of a "strong" diplomatic policy particularly directed, as the passions of the moment dictated, against the United States, Soviet Russia and China; a conservative, blind hostility toward change at home; and eventually hypnotic reiteration of loyalty to the "Imperial Principle" and Yamata Damashii, or the "Spirit of Japan." Retired Japanese generals became useful to head newer organizations with covert War Office sponsorship such as the Kokusui-kai or "National Essence Society", the reactionary Meirinkai, and the notorious Ketsumedan or "Blood Brotherhood."

Nothing proved more significant than the alliance formed between General Sadao Araki, moving spirit in the War Office forces of reaction, and Baron Kiichiro Hiranuma, in his role of Vice President of the Privy Council. Their Kokuhon-sha, formed in the 1920s, became the leading exponent of the twofold gospel of the "Imperial Principle" and the "Essential Pathway." The inculcation of the Kodo spirit — the "right way" — in the younger officers who came to worship Araki gave a kind of mystic ruthlessness to these juniors.

GENERAL SADAO ARAKI

"Here in Japan," General Araki told me in the quiet, austerely Japanese garden which lies behind the official residence of the Minister of War, "the Emperor represents the highest welfare of the nation."

He proceeded to point out that this descendant of the gods acted by inspired standards. These the loyal subject must study in order to discover the moral principles upon which the imperial acts are based and to which the Yamato people should conform.

"This is the fundamental spirit of our people. It rests solely upon the godlike position of the Japanese Emperor."

"What does the Army propose to do?" I queried.

"The soldiers belong directly to the Emperor," General Araki explained, "none is responsible to any but the Emperor. This is a direct relationship of profound importance in our country; it expresses the true spirit of the Japanese Army."

Since the great aim of the Emperor is to promote the welfare of the people, he went on to say that "if there is any obstacle in the way of its realization, it is the duty of soldiers to remove it."

Noting that false ideas had come into the operation of the Government under the Constitution of 1889, General Araki made a significant conclusion:

"We in the Army wish to correct the errors which have crept into the operation of the Government!"

Government Survives Thrusts

This puritanic fundamentalism of the military leadership, flanked on one side by the Big Navy men and on the other by fascistic opportunists in practical politics, has made the Army the driving force in the Mikado's Land from 1932 to 1935.

The seeds of the sinister old Black Dragon Society, the forerunner of these strong-arm tactics at home and abroad, had fallen on fertile soil at last. The crop of patriotic organizations could be harvested in blood. But, along with the wholesale assassinations that capped the sporadic outbursts of violence, there developed an opposition in high places of governmental power beyond the cowed Diet. Though the Army and its allies ruled Japan in the name of imperial regeneration for four precarious years, they never could deliver a knockout blow to constitutional government as developed along modern, liberal lines somewhat paralleling the West. Neither could they deliver a body blow abroad. The assault on Red Russia for the domination of Asia, timed to follow the Manchurian adventure, got sidetracked in further Chinese complications. The Chinese Nationalists, squirming in the grip of the Japanese militarists, could not quite be brought to heel World trade, first reaped wholesale with the devalued yen and war-stimulated industry, ceased to expand as rivals countered market inroads and buyers raised tariff barriers against the dumping of Nipponese goods. The only thing that continued to increase was the budget—with its annual deficit that called for ominous warnings from the financial interests blackjacked into acquiescence while they footed the bills of imperialism.

By the opening of this ill-omened year, the Mikado's Land either had to "return to ancient times" forthwith or rehabilitate parliamentary government.

The "Showa Restoration" slowed down. Illness had forced General Araki's retirement from the Ministry of War a year previously. His devoted follower, General Hayashi, took over the folio. While the Army's premier spokesman for action continued to dominate policy on his recovery

from the key position as a member of the Supreme War Council, time pressed for decision. The Navy, meeting unbreakable opposition at the London Naval Conference, faced a decisive struggle over the control of the Pacific with the end of fleet limitation in sight. Their fascist ally in politics, the agile careerist, Kenzo Adachi, who had built up the Kokumin Domei or "National League" as an anti-parliamentary bid for power, jockeyed for decisive position in the approaching inevitable general election. He needed a bloc of seats to vindicate his repudiation of party government.

On the other hand, both the Saito and the succeeding Okada Cabinets blocked the sweep of the Army-Fascist combine into full political power. Strong opponents close to the Emperor himself supported civil authority. The Okada Ministry was beginning to attack the cults behind the patriotic terrorist front. The Omoto Cult, with 1,600 branches and 300,000 followers, faced dissolution as some sixty leaders were indicted under the Peace Preservation Law, usually reserved for Japanese radicals, for plotting the reconstruction of the national polity. Others, including the once-extensive Amatsu Cult, were on the Home Office books for suppression in what seemed a general governmental clean-up. Jail sentences against even the most patriotic terrorists, including the officers involved in the earlier plots, were being procured by the Government's prosecutors.

Even within the Army, the division between the super-patriots and those cool to the Araki-Hiranuma-Adachi program grew deeper. The court-martial of Lieutenant Colonel Saburo Aizawa for the coolly calculated assassination of Major General Nagata as an "evil influence" during August 1935, was giving the Japanese people a dramatic insight into the inner workings of the reactionary cammoras. The defendant's testimony clearly exposed the ideas moving him to such a deed, while his systematically kept notebook testified to his earlier intention to kill the powerful moderate General Ugaki.

Asked to explain the meaning of the "Showa Restoration," Colonel Aizawa told the presiding judge:

"The Emperor is the incarnation of the God who reigns over the universe. The aim of life is to develop according to His Majesty's wishes, which have not yet been fully understood by all the world. The world is deadlocked because of capitalism, communism, anarchism, atheism, etc. We should make it our objective as Japanese to bring happiness to the world in accordance with His Majesty's wishes."

Remarking that he was "more convinced than ever that the bloc of elder statesmen, the Genro and the financial and governmental cliques were pressing on the prestige of the army," Colonel Aizawa complained against those in high command accepting the "institutional theory" of the Emperorship and indicted "the corruption of young officers in the Army caused by temptation from men of ill-repute." He bluntly concluded: "The younger officers in the army all determined to murder the Kerenskys. As long as they are firmly resolved, the country will not be shaken to its foundations. A bloody incident is a necessary evil."

When the storm broke in Tokyo, only a tired old man, a very old and very tired man, stood between the reactionaries, their patriotic terror, and mastery of the Japanese Government.

He was the last of the Elder Statesmen, or Genro, who by seniority had come to advise the Emperor of Japan on matters of crucial importance. The other fellow-makers of New Japan, once young iconoclasts, too, in 1868,

had passed from the scene. Prince Saionji, with eighty-seven years, mostly politics, behind him, belongs to the Pre-Restoration nobility. The "inkyo," or the retired one, watched every move from the beginning of the battle in 1932 to the present shuffle of authority. He was responsible for placing Admiral Saito in the premiership to oppose the "Imperial Socialism" then being advanced by the Army-Navy clique to destroy the trammels of constitutional government. Earlier, he had advised the Emperor to appoint no new Elder statesmen. When he could no longer maintain Saito in office because of a series of ministerial scandals, Saionji astutely elevated him to the post of Lord Keeper of the Privy Seal Thus he blocked the drive to place the reactionary partner of the militarists, Baron Hiranuma, close to the Throne. Then he produced Admiral Okada as a "dark-horse" premier and taught his opponents a grand lesson in politics—the appointment, though disregarding the reactionaries on all fronts, disarmed the Big Navy group; the reappointment of four old Saito Cabinet men held the parliamentary majority; seven "no-party" ministers became a gesture of purification of politics; and the Seiyukai was crippled while the Minseito was enlisted for new party support in the Diet. Saionji, the Emperor's last word, waited for the February 1936 election.

The drubbing given the Militarist-Fascist combination was not expected. Fascist candidates disappeared in the popular vote for liberalism. Ex-generals and leaders of patriotic societies went down to defeat. Labor showed surprising strength. Though parliamentary forces did not seem strong enough to challenge the War Office rule, both generals and admirals realized that a curb on militarist adventures was imminent. The crucial moment had arrived.

The Emperor's Stand

When the militarist putsch collapsed in a March drizzle, one thing emerged. The Emperor of Japan, with "the retired one" giving him possibly the last advice of a Genro, does not want the Army in politics.

Now this was not true four years ago, when the Mikado was felt by liberals to be falling under the influence of the Araki-Hiranuma-Adachi doctrine of the Kodo spirit. That was a critical period for the Imperial House

Immediately, unrest had manifested itself in a psychologically devastating form. It is something that virtually all Japanese, whether of high or low estate, object to discussing. Just as the official 2,600 years of Nippon's history commands unquestioned acceptance, just as it is lèse-majesté to regard the Emperor as an "organ of the State", so the suggestion that the Throne no longer is inviolable becomes high treason itself. Yet the facts are that the present Emperor, like his grandfather, has been threatened with violent death. In 1923, when he was Prince Regent for his incompetent father, followed in 1924 and 1932 by renewed plots, he escaped bombing.

The larger consequences were a tendency toward the isolation of the Mikadoship which began before the World War. Just as the Meiji Emperor (Mutsuhito, during his lifetime) ceased all but occasional public appearance after the bomb plot of 1911, just as the succeeding Taisho Emperor (Yoshihito) was kept secluded as the victim of physical and mental defects, so the Showa Emperor (Hirohito) listened to the reactionary insistence on the renewal of imperial seclusion.

Were this the end of the story, we would comment upon the way in which the voluntary imprisonment of the Emperor of Japan would play into reactionary hands. We would picture the panorama of political Japan since the Restoration of the Mikado in 1868 as a struggle between successive groups to control him as the classical symbol of authority. We would see successive struggles: the Tokugawa Family, hereditary regents for 250 years prior to the Restoration, dividing and ruling the rival feudal lords; the "clan politics" of the Meiji Era, with the Satsuma-Choshiu combination dividing power until the close of the nineteenth century; the rise of the commercial, industrial and financial interests, prying the control of the State from the weakening hands of the "Sat-Cho" leadership through corrupt party politics; and the vital current struggle between Big Business and the Army for political supremacy tomorrow.

Whatever may be the outcome of the Emperor Showa's return to nominal seclusion, something has just happened in Tokyo to change the picture. The cabinet reconstruction under the premiership of Koki Hirota, Minister of Foreign Affairs in the Okada Government, marks the defeat of the direct-action tactics of the militarists. The Army and Navy, never wholly in accord, no longer see eye to eye on the Empire's military problems. The hazards of the militarist adventure on the continent are increasing; and the naval men believe, as Admiral Osumi told me, that they can command in the South Seas the resources so needed by a modern empire. Japan's generals and admirals have promised to reform discipline and education in the Empire's forces provided the Hirota Government follows a strong foreign policy in the settlement of outstanding diplomatic problems. Baron Hiranuma has been made President of the Privy Council, it is true, but this move is more than a gesture to save that all-important "face" in the Orient. It drives a wedge between the discomfited Army clique and fascists by offering the Baron an opportunity to serve his Emperor in a new deal dictated from the Palace itself.

The really significant part of this failure of the Army-Fascist putsch lies in the unmistakable position of the Mikado. The Palace has aligned itself against the self-proclaimed guardians of ancient ways and for a twentieth-century state.

Quite apart from imperial pressure to bring the Army into line with the Hirota Cabinet—for the War Office controls the appointment of a high general, like the Navy, to fill the defense post—the Emperor has dictated a reorganization that breaks the extremist control. All but two of the ring leaders of the continental expansion policy are gone, though nothing like a withdrawal from Asia impends. Their places unfilled on the Supreme War Council, this advisory body to the Emperor on military matters no longer can become a device in the hands of reactionaries to break down constitutional government. Resignations and transfers complete the rout of the rabid militarist exponents of an army-run nation, with an army-advised ruler, seeking an army-dictated salvation in world adventure.

CHRONOLOGY

Highlights of Current History, March 10--April 10

INTERNATIONAL

MARCH 10—Pierre-Etienne Flandin, Foreign Minister of France demands German troops be withdrawn from the Rhineland

Chancellor Hitler refuses to withdraw troops from Rhineland which German people consider sovereign territory.

He appeals for French amity and disavows territorial expansion at the cost of Germany's neighbors.

Germany announces pill-box fortifications will be built in the remilitarized Rhineland.

MARCH 12—French Senate ratifies Franco-Russian mutual agreement pact which Hitler cited as reason for his denunciation of the Locarno agreements.

Britain, France, Italy and Belgium (Locarno powers minus Germany) convene in London to consider Germany's denunciation of the Locarno agreement and simultaneous remilitarization of the Rhineland. Locarno powers immediately condemn the Reich.

England and Italy refuse to apply sanctions despite the insistence of France, Belgium and Russia.

Threat of sanctions derided by the Reich, on the basis of Germany's endurance of four-year World War blockade.

League of Nations Council decides to consider German Rhineland question.

MARCH 13—Soviet Russia announces that Germany is most fertile ground for the spread of communism.

Locarno powers seek solution but are firm against war.

MARCH 15—Germany agrees to send delegates to the League of Nations Council on two conditions (1) German representative be received as an equal; (2) Hitler's peace proposals (non-aggression and air pacts with her neighbors) be discussed.

Italy, Austria and Hungary confer to re-enforce amity in semi-alliance.

MARCH 16—League council notifies Germany that her representative will be accorded equality but rejects discussion of Germany's peace proposals.

French people oppose action against Germany despite Locarno violation.

MARCH 17—Maxim Litvinov, Soviet Foreign Commissar, assails Germany as a flagrant treaty breaker.

MARCH 19—Council of the League of Nations declares by vote of 11 to 0 that Germany deliberately violated the Locarno Treaty.

The Locarno powers propose to Germany that she refrain from increasing Rhine garrisons; that she permit temporary occupation of part of Rhineland by British and Italian soldiers; that if Germany accepts these terms a conference would be held to negotiate a permanent peace; that if Germany refuses, Britain would give France and Belgium assurances that she would aid them in case Germany attacked; that the Franco-Belgium-British military consultations would begin immediately.

Germany states her reason for the Locarno denunciation before the Council of the League of Nations.

MARCH 20—Germany rejects proposal for temporarily demilitarized zone.

MARCH 23—Italy, Austria and Hungary pledge amity and consolidate Danubian common front; assure the independence of Austria.

General Weygand of the French Army states France has been humiliated by Germany.

MARCH 24—Germany rejects four-power proposals offered on March 19th but promises to submit alternate proposals after German elections of March 30th.

Soviet Premier Molotoff pledges war aid to France against Germany with no limitations on defense.

MARCH 25—United States and Britain sign new naval treaty pledging naval parity.

Soviet Government terminates trade negotiations with Germany following Reichsfuhrer Hitler's denunciatory speech of the 24th.

Italy announces intention of blocking Locarno peace proposals until sanctions are lifted.

MARCH 27—Franco-Russian mutual aid agreement, ratified by French Senate on March 12, is signed by French Foreign Minister Flandin and Soviet Foreign Commissar Litvinov.

Preliminary steps inaugurated for the Franco-British military staff consultations

Hitler asks that other nations remove the question of international peace from the

hands of their statesmen and submit it to the people.

MARCH 28—German military staff experts announce French underground military fortifications along the Rhine are highly vulnerable.

MARCH 30—Franco-British military staff consultation pushed.

MARCH 31—Germany proposes four months' truce and indicates a willingness to negotiate a twenty-five-year non-aggression pact with France and Belgium.

APRIL 1—Britain announces Germany's proposals are inadequate. France scorns them as insincere.

APRIL 7—German press accuses France of sabotaging Hitler's plans.

Japanese allege the Soviets have concluded a secret agreement with China.

Italian pledges not to bomb Ethiopian towns fail to lessen hostile British sentiment.

Alliance between Soviet Union and Mongolia revealed to have been effective since 1934.

APRIL 8—Commission to rule Europe proposed in new French peace plan.

APRIL 9—Italy's envoy reveals plan for puppet Ethiopian state. Cites Manchukuo as precedent.

Italians accuse League clique of delaying war in order to blame Italy..

German press doubts feasibility of new French peace plan.

APRIL 10—Turkey requests permission to fortify the Dardanelles.

Dr Von Hoesch, German ambassador to London, dies.

DOMESTIC

MARCH 10—Senate Lobby Committee serves Western Union Telegraph subpoena duces tecum (bring with you) designating certain telegraphic communications.

Guffey Coal Bill, providing for the regulation of wages, hours and collective bargaining, brought before the Supreme Court of United States. Court reserves decision

President Roosevelt indicates Federal Housing Administration is ineffectual because of continuing disagreements.

Securities and Exchange Commission brought before the Supreme Court of United States. Court reserves decision.

MARCH 11—District of Columbia Supreme Court invalidates Senate Lobby Committee subpoena on the grounds that it goes beyond legitimate use of subpoena duces tecum. Plaintives invoked the Fourth (search and seizure) Amendment to the Constitution.

MARCH 12—National Conference of Mayors emphatically approves the W.P.A. method of dealing with unemployment They ask $2,340,000 be appropriated for next fiscal year.

Publisher Hearst asks District of Columbia Supreme Court injunction restraining the Western Union Telegraph from delivering editorial telegrams to Senate Lobby Committee. He charges infringement of press freedom.

MARCH 13—Publisher Hearst asks District of Columbia Supreme Court to force Government to return to him all Hearst telegrams.

MARCH 14—Berry Industrial Committee recommends governmental checks on business, "to protect social justice."

MARCH 15— Heavy rains sweep the South with rising temperatures.

Veterans of Future Wars organize to demand immediate payment of $1,000 bonus to each potential fighter in our next war.

American Federation of Labor demands 13 percent wage rise.

MARCH 16—Rain and melting snow swells headwaters of the Ohio, Monongahela, Potomac, Susquehanna, Delaware and the Conemaugh.

Ladies Auxiliary of Future Veterans organize to demand immediate passage to Europe to view the future graves of their future sons.

MARCH 17—Rivers from Ohio to the Eastern Coast rapidly rising to flood stage.

Twenty inches of snow falls on western New York. Snow heavy along Canadian border. Rain and snow fall over Pennsylvania.

AAA reorganized into five regional administrations.

MARCH 18—President Roosevelt sends message to Congress requesting one billion five hundred million dollar appropriation for unemployed to cover fiscal year beginning July 1

Association of Foreign Correspondents of Future Wars organized to train members in the writing of atrocity stories and garbled war dispatches.

Stock Market reports full year of rising stock quotations with average gain of 55 percent.

MARCH 19—Susquehanna floods southern tier of New York and Pennsylvania.

Conemaugh floods Johnstown, scene in 1889 disaster.

Ohio floods Pittsburgh.

President Roosevelt appeals to the nation for three million dollar flood relief donations to the Red Cross.

MARCH 20—Connecticut river floods New England.

Potomac floods outskirts of Washington.

MARCH 20—Treasury reports income tax returns for the first twenty days of March as being 28 percent higher than last year.

Wheeling, West Virginia, reports 17 dead and 200,000 homeless in flood.

Disease follows in wake of Johnstown flood.

President Roosevelt appeals to farmers to prevent crop increases.

MARCH 21—WPA mobilizes 250,000 persons for flood rehabilitation work.

Goodyear Rubber strike ends with accept-andce of 7-point program.

MARCH 22—Flood damage estimated at 500 million with 171 dead and 500,000 home-less.

Dust storms blanket six States from Kan-sas to California

MARCH 23—New York City teachers ordered to emphasize peace but not pacifism.

Senate passes record appropriation for Army. Total $611,362,604.

Townsend Old-Age pensioners threaten to oppose Republicans and Democrats with third party.

MARCH 24—Robert Clement, cofounder of Townsend Old-Age Revolving Pension, withdraws from organization over dif-ference in policy.

MARCH 25—Secretary of Agriculture Wal-lace predicts crop surpluses in 1937 with resultant price decline.

New York City Court declares Presiden-tial Arms Embargo on exports void.

MARCH 27—Ohio river overflows entire length for the first time in history.

MARCH 28—Illinois scientists report the ob-servation of animal stream of conscious-ness as it ebbed and flowed, and made minute measurements of the conscious-ness waves.

MARCH 29—John L. Lewis, president of the United Mine Workers of America, chal-lenges the American Federation of Labor to a referendum on craft union-ism.

MARCH 30—Dust storms cover portions of four States in the West.

MARCH 31—Jewish women's New York State conference endorses ban on child labor.

Red Cross reports $476,000 flood relief contribution from New York City.

APRIL 1—Senate inquiry reveals that Town-send, founder of Old-Age Revolving Pension, envisoned millions of dollars profit accruing.

APRIL 2—Tornadoes kill 37 and injure hun-dreds in the Southern States.

APRIL 3—Bruno Richard Hauptmann exe-cuted at Trenton, New Jersey, for the murder of Lindbergh baby.

Senate finance group votes to ease war profits curb.

APRIL 4—Secretary of State Hull imposes embargo on scrap tin to conserve war supplies, effective from April 16 to July 1.

APRIL 5—New York Drama Critics Circle awards Maxwell Anderson plaque for year's best play, the poetic "Winterset."

Dr. Angell of Yale University reports national trend to curb education.

APRIL 6—Tornadoes kill hundreds in the South. Damage unestimated.

Federal Circuit Court of Appeals upholds constitutionality of Gold Reserve Act of 1934 as it applies to gold held here by aliens.

APRIL 7—Barbinolli, British conductor, ac-cepts offer to lead New York Philhar-monic

Frick art collection acquires rare panel by Piero della Francesco.

APRIL 8—Missing chapter in art cleared up by mosaic finds in Antioch.

District of Columbia Supreme Court dis-misses infringement of press suit brought by Publisher Hearst against the Senate Lobby committee

Unemployed groups meet in Washington and vote to form union.

APRIL 10—Senate may consider Panama Treaty in secret.

FOREIGN

Austria

MARCH 17—Thirty Socialists tried in Vienna for high treason.

MARCH 24—Twelve Socialists receive light sentences; eighteen acquitted.

MARCH 29—Anti-Semitic campaign reported making headway.

APRIL 1—Austria proclaims universal serv-ice, "with or without arms," and repudi-ates St. Germain treaty.

APRIL 7—Austria denounces Little Entente's note of protest concerning St. Germaine treaty repudiation.

England

MARCH 22—Sir Oswald Mosley jeered as he makes new appeal for British fascism.

MARCH 24—House of Parliament opposes Palestine plan forbidding existing culti-vators (Arabs) from selling all their land as unfair to Jews.

MARCH 31—Britain achieves budget surplus fourth year in succession without provision for United States war debt payment. Balance: £15,407,926.

APRIL 7—Britain creates committee to study foreign loan question.

APRIL 8—British policy in Africa and Germany denounced by Lord Snell

Record of German arms and diplomacy moves for last 21 months issued by Britain.

Germany

MARCH 23—German voters warned by Nazis to back Hitler in the coming elections

MARCH 24 — Propaganda Minister orders Germans to listen to Hitler's speeches.

MARCH 28—Germans ordered to the polls to vote "yes" for Hitler.

MARCH 29—Elections (a referendum on foreign policy) result in record endorsement for Hitler—98 7 percent of 44,952,476 votes.

MARCH 31—New Zeppelin Von Hindenburg over the Atlantic en route to Brazil

APRIL 4—Zeppelin Von Hindenburg arrives in Brazil

APRIL 7—Nazi officials boycott Louis and Schmeling fight on racial grounds

APRIL 8—Professor Hauer resigns as head of German Faith Movement.

APRIL 9 — Germany reports unemployment reduction of 578,000 in March.

Hungary

APRIL 3—Hungary unlikely to follow Austria in repudiation of St Germain treaty.

APRIL 7—Hungarian Premier Goemboes and Peasant Party Leader Eckhardt miss in pistol duel at Budapest.

Italy

MARCH 23—Mussolini nationalizes key defense industries.

MARCH 25—Italy blocks Locarno peace proposals until sanctions are lifted.

APRIL 2—Italy watches Britain as her armies advance into British sphere of influence near Lake Tana.

Japan

MARCH 18—New cabinet under Koki Hirota proclaims respect for principle of "live and let live" among the Far Eastern countries.

MARCH 24—Japan announces willingness to negotiate frontier difficulties in Mongolia with the Soviet Government.

MARCH 25 — Premier Hirota announces Japan will not go to war.

APRIL 2—Japanese officials announce there is no possibility of war with the Soviet Union

APRIL 6—Japan announces that all Army men will be barred from participation in politics.

Spain

MARCH 14—Socialists, Communists and Syndicalists set fire to Monarchist newspaper *Nacion* and burn churches in the center of Madrid

MARCH 16—Azaña Republican-Socialist Left Government orders agrarian reform and the division of the grandees' estates among fifty thousand peasants.

APRIL 7—Socialists oust President Zamora in Cortes (parliament) vote.

APRIL 8 — Premier Azaña's Republican-Socialist Left Cabinet retained.

Mexico D.F.

MARCH 23 — Civil and political disorders crushed in Mexico with thirty dead and many wounded.

APRIL 5—Forty Catholic churches reopen; Mexican law allows twenty-five.

APRIL 7—Eight killed and fourteen hurt in train bombing.

APRIL 10—General Plutarco Elias Calles, former President of Mexico, and four aids, exiled by order of President Cardenas

South America

MARCH 15—Colonel Rafael Franco, head of Paraguayan revolutionary Government, proclaims the Americas' first "totalitarian state."

MARCH 23—Brazil declares martial law for ninety days. Red leaders seized.

Soviet Union

MARCH 21—Soviets repeat accusation that Japan abuses citizens in Manchukuo.

MARCH 24—Two Soviet airplanes are ready for flight to the Arctic.

MARCH 25—Soviets announce that they will utilize the sun's eclipse to speed war on superstition.

Two Japanese are killed in Mongolian border clash with the Soviet-Mongolian Army.

MARCH 28—Soviet scientist reports the creation of new varieties of life.

MARCH 29—Mongols report the defeat of two Japanese attacks in border skirmishes.

APRIL 1—Mongols report another clash in which Japanese and Manchukuoans are repulsed.

APRIL 5—Soviet Government withdraws from the Locarno dispute.

Mongols report preparation for new border wars with Japanese.

APRIL 6—Soviets demand full equality for Germany in the interest of peace.

APRIL 8—Soviets, answering China's accusal, deny claims to Outer Mongolia.

APRIL 9—Japanese officer slain by Soviet soldiers in Outer-Mongolian border skirmish.

APRIL 10—Chinese Nanking Government plans protest on Soviet-Mongolian pact.

Italo-Ethiopian War

MARCH 11—Italians drive toward Lake Tana. Ethiopian armies crumble.

MARCH 15—Ethiopians report great losses as air bombers raid Jijiga.

MARCH 19—Italians clash with Haile Selassie's army near Mount Alaji.

MARCH 21—Italians accused of wide gas warfare. Ethiopians plan protest.

MARCH 22—Twenty-seven Italian planes bomb Jijiga, damaging hospital.

MARCH 28—Four Italian columns launch wide drive.

MARCH 29—Italian airmen bomb Harrar; city in flames.

MARCH 30—Italians advance to within 25 miles of Gondar in Lake Tana area.

British Parliament angered by Italian gas warfare.

MARCH 31—Italian troops enter Gondar in British sphere of influence.

APRIL 2—Rains in Ethiopia stalemate battle of Mai Cio.

APRIL 3—Ethiopians admit their armies face defeat.

APRIL 4—Army of Ethiopian Emperor in flight after battle.

Italian planes over Addis Ababa machine-gun the city.

APRIL 5—Emperor of Ethiopia denies he will sue for peace.

APRIL 6—Mussolini expects League of Nations to negotiate African peace in Rome.

Britain's Foreign Secretary Eden threatens further sanctions unless Italy ends war.

APRIL 7—Ethiopia appeals to the League for effective aid against Italy.

British Foreign Secretary Eden at Geneva demands Italian pledge to halt African war.

APRIL 8—Mussolini insists Ethiopian armies be annihilated.

APRIL 9—Italians bomb towns in southern Ethiopia.

WILL IT END LIKE THIS?

—*South Wales Echo*

The Realm of Science

Biologists' Convention Told of "Fatherless Rabbits"

THE layman interested in science found much to capture his imagination and attention in the reports from the Washington convention of the Federation of American Societies for Experimental Biology.

For almost a week front pages of newspapers carried accounts of seemingly miraculous experiments and advances in the domain of science. City editors with an eye to news value were quick to appreciate the stories of rabbits born of a "mother" which bore no genetic relation to the offspring; of a "lens" through which consciousness could be "measured"; of three poisonous chemicals manufactured in the human body by the tuberculosis germ; of a machine that does for weight what the microscope does for size, and of salamanders that were made to walk backwards.

Semi-Ectogenesis: The paper describing the experiments dealing with the "test-tube rabbits" was contributed by Dr. Gregory Goodwin Pincus, Harvard physiologist who has been identified for many years with efforts to artificially induce mammalian life.

Dr. Pincus removed the female egg from one rabbit, male sperm from another, and proceeded to fertilize the egg in a test-tube. After allowing the fertilized egg to reach a stage of early development, Dr. Pincus transplanted it to a different "mother." The eggs developed normally, receiving the proper nourishment in the right quantities, and in little more than a month a litter of rabbits was born which bore no relation to the mother.

Satisfied with this experiment, Dr. Pincus decided to carry his work a step further. Extracting the egg from the female, he again placed the ovum in a test-tube. But this time, instead of using the male sperm, he substituted a strong salt solution. Here, too, he met with success.

Seeking to bring about semi-ectogenesis, or a condition in the female which would make the ovum a complete entity of its own, Dr. Pincus found that by heating the egg to 113 degrees Fahrenheit he could accomplish results as good as if the egg were actually fertilized by a male sperm. These eggs, having as their father a high temperature or a salt solution, went through the gestation period in a "mother" rabbit other than that from which the eggs were originally extracted. In cases such as these, however, where the actual male sperm were not present, only female rabbits would be born. A fertilized ovum, in order to be of potential male character, must contain the Y chromosome, one of the twenty-four chromosomes in the germ cells. Since the Y chromosome can only be supplied by the male of the species, it follows that all children born as the result of a salt solution or a favorable temperature will be females.

The prospect of a world in which males would be relieved of their reproductive functions or even eliminated entirely failed to stir Dr. Pincus. "I am not interested in the implications

of this work," he told newspaper reporters.

There were those, however, who were quick to point out that there must be certain implications in a development which conceivably could relieve the human race of practically all the accepted (up to now) formulae for child-bearing.

❖ ❖ ❖

Electricity and Nerves: Consciousness is easier to explain as a condition than by definition. If we are aware of a situation, we say we are conscious of it; if we have sensations of anger, fear, hate, pleasure, satisfaction, or love, we say we are conscious of a certain "feeling." Yet consciousness has always been among the most elusive of life's many mysteries. We have it while awake; surrender it while asleep.

Scientists attempting to actually "picture" consciousness, have developed an instrument which records the force in the form of a flow of current from brain to nerve and from nerve to brain. Reporting on the experiments along this line to the convention, five members of the Physiology Department at the University of Illinois told how, with an electrical device, they were able to observe the consciousness of animals and made measurements of the "consciousness current" as it flowed to and from the brain.

The device was a galvanometer connected to electrodes. One electrode was placed on the animal's cortex (outer layer of brain and seat of intelligence) and another electrode was placed on an exposed sciatic nerve of the animal.

The animal was placed under anesthesia and the galvanometer showed a flow of current from the brain to the nerve. This according to the Illinois scientists, showed that while the animal was in an unconscious state the cortex was electro-positive to the sciatic nerve.

When the anesthesia wore off the experiments showed that the cortex became less and less electro-positive. Finally, when the animal was restored to complete consciousness, there was a complete reversal of the current. In other words, the current flowed this time from the nerve to the brain.

The amount of current involved was between two and three millionths of an ampere. This current, scientists say, is what is commonly known as consciousness.

Their report says: "It would seem consciousness or unconsciousness is a matter of electrical potential of the cerebral cortex, and this in turn is undoubtedly dependent upon the balance between loss and gain of electric charges passing to and from the brain over the nerve."

The report was presented by Drs. G. C. Wickwire, H. W. Neild, W. E. Burge, O. S. Orth, and W. P. Elhardt.

❖ ❖ ❖

Tubercle Bacillus: One more step in the long strides science is making to combat the disease of tuberculosis was another significant development of the convention.

Professor R. J. Anderson, of Yale University, reporting on experiments and studies made with the assistance of colleagues over a period of nine years, said that the tubercle bacillus probably produced as many as 350 various chemicals. Actually, he said, 170 chemicals manufactured by the germ had been found and separated. One third of these are believed to have been discovered for the first time.

Only three chemicals of the entire total were found to be poisonous. And these three, produced by the tuberculosis germ, in turn produce the symptoms of the disease. These poisonous chem-

(Continued on page 128)

MARGINAL HISTORY

Sidenotes from the Current Scene of World Events

WHEN the Japanese took the island of Formosa from China following the Sino-Japanese war, an opium monopoly was created for the purpose of "facilitating suppression."

Since the establishment of Emperor Pu-Yi's administration in Manchukuo, the Chinese have protested that the sale of opium has been officially propagated by the Japanese. In the past, China's attitude on the opium question has been similar to the attitude of the American people on the liquor issue, although opium has never been sold openly all over the country. In Japan, the Government strictly prohibits the use of drugs among the Japanese.

Last year the League of Nations Committee on Opium and Narcotics published a full report on the "hideous" nature of the dope traffic in the Japanese State of Manchukuo. Recently the *China Weekly Review* stated that the Japanese have succeeded in obtaining complete control of the North China opium revenues. With the consolidation of North China and the Manchukuo Opium Monopoly, Japan at last will have gained control of the enormous revenues produced by China's chief "cash crop."

On April 3 the League of Nations reported that Japan led the world in the number of factories licensed to make "dangerous drugs for export."

❖ ❖ ❖

A NEW paragraph has been added to the annals of scrambled metaphor. Colonel Starace of the Italian forces in East Africa harangued his troops with the following: "They (the English), thought they had only to mass a war fleet in the Mediterranean and Premier Mussolini would take off his hat and bow in submission. Instead he reared up like a thoroughbred horse and sent his soldiers into Africa."

❖ ❖ ❖

DR. HUGO ECKENER, famed builder and commander of Zeppelins has been punished for his refusal to endorse the candidacy of Adolf Hitler in the Reich elections. Despite Dr. Eckener's world-wide reputation of mastery in the lighter-than-air-craft, Germany's Minister of Propaganda has forbidden the press to publish pictures or articles or to even mention Dr. Eckener's name.

En route to South America aboard his newest airship, the Von Hindenburg, Dr. Eckener stated his position: "My attitude during the elections was that of a voter and I refused to participate in any kind of propaganda. I expect to retain my post as long as I can be of service to mankind in the development of air travel."

❖ ❖ ❖

SIX years ago in Dedham, Mass., a monument was erected before the local home of the American Legion. A towering stone shaft with a feminine figure holding an olive branch bore the Latin inscription: "Pax Victis."

Recently a local clergyman translated the inscription and astonished the townsfolk with the result. He informed them that during all these years the monument magnanimously had been dedicated to Germany. Instead of "Peace to the Victors" as originally

intended, the inscription read "Peace to the Vanquished."

Dedham has already taken steps that will return the peace to her own boys.

❖ ❖ ❖

In Russia, the land as well as the air is supposed to be free for public use. Every inch of the soil is the property of the State, and the sale, rental or mortgaging of land is absolutely forbidden by the land nationalization statute.

At the village of Balashoff in the Volga region bright minds inaugurated a snappy business in the sale and rental of land. In each instance the purchaser found himself in the position of the provincial who is alleged to have bought the Brooklyn Bridge or a homesite in Central Park.

❖ ❖ ❖

Residents of Lowell, Mass., offer humble thanks to the vision of James Bicheno Francis who, eighty-six years ago, constructed an auxiliary guard-lock at the most vital point of the town's canal system. For many years the extra lock had been contemptuously referred to as Francis's Folly. This spring high waters stormed the regular restraining gate and threatened to break through to inundate the town. In desperation, canal company employees, faced with a twenty-six foot wall of water, released Francis's emergency lock. With complete success the alleged product of folly fulfilled the service envisioned by its builder, long dead.

❖ ❖ ❖

Restating the historical evaluation of Jewish persecution, Russian Ambassador Troyanovsky says: "The Jewish people and particularly their property have often been used as the scapegoat for turning the attention of the suffering masses from the real causes of misfortune and hardship. The Middle Ages are notorious for varied explosions of anti-semitism, always to cover up the many political diseases of that time."

❖ ❖ ❖

Encouraging friendship between men is not a universally recognized crime. However, a French editor found it dangerous if promoted among certain groups. He was indicted by the Government for provoking "disobedience and anarchy." He had counseled the French and German soldiers stationed in the Rhineland to make friends.

❖ ❖ ❖

Before an audience of 300,000, Chancellor Adolf Hitler announced that Germany recognized as judges of her actions only herself and God. As the crowd cheered him he added: "The Almighty God is the eternal Judge. He alone has the right to decide what is right and what is wrong, and God's voice is, in this case, the voice of the people."

Editor Julius Streicher substantiated the claims of the Chancellor. "The Grace of God attends the man whom God has given to our people. The grace of God attends our Führer."

❖ ❖ ❖

A mother in Oklahoma seeks to raise money to save her son from the gallows by selling tiny rope nooses.

❖ ❖ ❖

The world wonders at the feelings of those peasants along the Rhine whose farms were the battleground of yesterday, and a day long before yesterday. One hard-bitten Alsatian veteran of the last war speaks his mind: "Sixteen years is a long time to hold the Germans fifty kilometers back from their own border. So long as they stay there, what can we do? If they cross they will find us here. But there will be no war, at least this year, and nobody in the Rhineland looks beyond that."

Speaking of *Travel*

When spring comes the tourist cannot be far behind. Today his desk is at flood-tide with travel literature; tomorrow he travels.

All winter long he reads glowing reports of the southlands. Financially blessed neighbors write to tell him of the advantages of soft sand and sun over office work-bench and banging radiator pipe. But his tourist philosophy does not permit envy to dominate anticipation. His is the feeling of the ninth man in the batting order; he may be the last to bat but at least he is not quarantined to the foreign grandstand or even relegated to the comparatively friendly players' bench.

And this year, according to a batch of surveys by enterprising travel agencies, the new season in travel points the way to more and better accommodations for the tourist. The whole world, it seems, is anxious to show the tourist its best Sunday clothes. As inducements the tourist is offered comprehensive tours with luxurious accommodations that heretofore were within the price range of only the most fortunate few.

Everybody Travels

That a record number, at least since the Great Flush of '29, will turn Gulliver this spring and summer is the pleasant prediction of the American Express Company, which has just completed an exhaustive study in cooperation with its ninety-eight offices, home and abroad. The peak in travel will be reached during the summer, according to the survey.

It appears that the tourist will choose wisely whether he books passage for foreign shores or decides to spend his vacation poking about the states. Europe, usually as discordant as a hog-callers' convention, has for once agreed on the wisdom of making attractive bids for tourist trade. At home, drastically reduced rail rates, faster train schedules, and improved facilities offer definite appeal to the domestic traveler.

The situation in Europe is best described by Douglas Malcolm, head of the Travel Service. "As if a league of travel agents were sitting at Geneva," he said, " 'tourist Europe' is preparing for its greatest summer—disregarding pacts and the maneuvering of its politicians and map makers."

Germany's place in the tourist sun is assured by the 1936 summer Olympics, and new facilities are being rushed through to completion in order to accommodate an expected record number of visitors, at least as compared to any summer within the past ten years.

Great Britain is holding out one of the choicer travel plums to tourists. Featuring the heralded Shakespeare Dramatic Festival, England will offer almost forty more attractions to tourists than it did last season, a Jubilee year. His Majesty intends to retain London's reputation as the "concourse of European tourist traffic." Elaborate arrangements are being made for the ceremony of the trooping of the colors on the occasion of the King's forty-second birthday, June 23.

La France, too, is sprucing for a banner travel year. Special tourist cards, decreased rail rates, the elimination of the always unpopular "sojourn tax", and additional accommodations promise a peak year for the

(Continued on page 126)

TRAVEL | TRAVEL | TRAVEL

Vacation in Switzerland

...land of loveliness, where the glittering Alps cast a magic spell over care-free hours. The "Playground of the World" is within easy distance of all Europe. Railroad fares have been reduced up to 45% throughout the entire year to American visitors staying in Switzerland 6 or more days. Take advantage of them *this* year and revel in the beauty of Switzerland.

Be sure that your itinerary includes a visit to historic GENEVA seat of the League of Nations... Picturesque old BERNE capital of Switzerland and THUN, portal to the BERNESE OBERLAND...INTERLAKEN and up to the JUNGFRAUJOCH; then a trip over the LOETSCHBERG route into another world to...ZERMATT-GORNERGRAT and the MATTERHORN. On to ZURICH, Switzerland's Metropolis and LUCERNE the beautiful, where William Tell made history—and over the famous St. Gothard route to LUGANO-LOCARNO, basking in perennial sunshine. This suggestion is made for your comfort and enjoyment. Any tourist or steamship agent can book you.

Write for our beautiful Free album of Swiss Scenes. Ask for Packet WG-3.

SWITZERLAND

SWISS FEDERAL RAILROADS - 475 FIFTH AVENUE, NEW YORK

E U R O P E

12th. Season economical all-expense tours Small groups with personal service of experienced leaders. Wide selection itineraries. All-expense independent travel also arranged. Cruise and steamship bookings effected on all lines. Write for Booklet "W."

CARLETON TOURS, 522 5th Ave., N.Y.

TEXAS

THIS YEAR ... SEE TEXAS AND THE CENTENNIAL CELEBRATIONS

25 MILLION DOLLAR EXPOSITION
DALLAS » Opens June 6

The Southwest's first World's Fair. A genuine, old-time, Western Frontier Centennial at Fort Worth. More than 125 celebrations throughout the state. See Houston, Galveston, San Antonio, the Rio Grande Valley of Texas, colorful West Texas, and East Texas, home of world's greatest oil fields. Write for interesting literature and calendar of events.

TEXAS CENTENNIAL,
State Headquarters, 16-C
Dallas, Texas.
Please send illustrated literature on Texas and the Centennial Celebrations to:
Name________
Address________
City________ State________

When writing to these advertisers will you please mention The Where-to-go Bureau? It will be greatly to your advantage to do so.

MAINE

Hotel Hamilton and Cottages
HELEN W. CAMPBELL, Directing.
Ocean breezes assure cool days and restful nights. Golf, bathing, boating, fishing, dancing, tennis. Rates are moderate. Service & hospitality unexcelled.
CHEBEAGUE ISLAND, MAINE

This Where-To-Go department for May is concluded on the two pages following.

MARYLAND

Where-To-Go for June closes Apr. 29

WHERE-TO-GO
HOTEL·RESORT & TRAVEL DEPARTMENT
CONTINUED

WHERE-TO-GO
HOTEL-RESORT & TRAVEL DEPARTMENT
CONCLUDED

TRAVEL

This Summer more than ever **SWEDEN!** LAND OF SUNLIT NIGHTS

American women are awake to the many advantages of a summer in Sweden for themselves and their children.

More vacationed there last summer than ever before.

The long days of health-giving sunlight—the added time outdoors—the purity of the food—the scenic beauties—historic riches and, above all, the unfailing, kindly and honest Swedish hospitality that greets them everywhere—these are the important reasons why American women are selecting Sweden for their summer holidays.

P S. By the way, shopping in Sweden is a delight—exquisite bargains in art handicraft.

Ask your travel agent or us for our new "Lands of Sunlit Nights" with complete travel detail of delightful journeys in all the Scandinavian countries—a treasure house of vacation guidance.

SWEDISH TRAVEL INFORMATION BUREAU
630 FIFTH AVENUE Dept. U NEW YORK

Remember—small copy is BIG in Where-To-Go

MASSACHUSETTS

Nantucket Island **BEACH HOUSE** Siasconset, Mass.
Golf. Surf Bathing. Tennis, etc. All the benefits on land of an Ocean Voyage.

NEW MEXICO

Rancho DE DIAS ALEGRES
Altitude 7400 feet, 16 miles west of Las Vegas, New Mexico, in the Rocky Mountains. The Ranch Of Happy Days is a modern Ranch combining Home Comforts with Ranch Activities. Ride Mountain Trails thru Virgin Forest for health and pleasure. Glorious days and COOL SUMMER NIGHTS. Booklet and Rates on request.
FRANK J. TEAGUE, LAS VEGAS, N. M.

TRAVEL ACCESSORIES

VERMONT

THOSE GORGEOUS GREEN MOUNTAINS

Unspoiled VERMONT

ASK

for new, handsomely-illustrated free booklet, "Unspoiled Vermont." A thrilling preview of your 1936 vacation-tour. Scores of eye-filling scenes such as greet you at every turn of the road in this land of mountains, lakes and valleys, gorgeous greenery and famous hospitality. Varied country fun for all the family—described in this free book. Write VERMONT PUBLICITY SERVICE, 47 STATE HOUSE, MONTPELIER, VT.

VERMONT

BASIN HARBOR LODGE On-Lake-Champlain
Christian ownership-management catering to select clientele. Cordial, informal atmosphere. Moderate rates. Hotel and 30 shore cottages. Golf course, tennis, sailing, fishing. Country-life center of social and sport activities. Interesting literature. A. P. BEACH, Host, VERGENNES, VERMONT

SHANTY SHANE A Summer Lodge For Families
Golf, Tennis, Water Sports, Good Cuisine. Booklet. Shanty Shane, Ely, Vermont.

CAMP SKYLAND SOUTH HERO, VT. On Lake Champlain Tenth Season.
Christian Camp for adults and families $16-$20 per week. M. K. Norton, Mgr.

Ask Where-to-go Bureau, 8 Beacon Street, Boston, for space & rates in our department

POCONO MTNS., PA.

BUCK HILL FALLS, PA.

Only 3 hours from N.Y. & Phila. to The Inn. 300 fireproof rooms. Golf, tennis, riding, concerts, swimming, movies, dancing, etc. Cool, dry air. Alt. 1400 ft. References exchanged. Write Box 690, Buck Hill Falls, Pa.

The Where-To-Go system influences the people comprising the cream of all Travel prospects

TRAVEL

ORIENT TOUR — First Class, Escorted, Small Party (12), from Vancouver July 11, $850 up. 17th Year. **MEARS TOURS**, 3309 Berteau Avenue, Chicago.

EUROPE — 100 WAYS!
From New York — Boston — Montreal — Quebec
30 Days to Ten Weeks — 8 Routes
TEMPLE TOURS, 248-A Washington St., Boston

SOVIET RUSSIA

THE OPEN ROAD

TRAVEL

the American way to Europe
COMBINES PLEASURE WITH ECONOMY!

Excellent liners ... fares to suit every purse ... more than one sailing every week. A voyage you'll enjoy to its fullest... combining delightful days at sea with happy economy. That's what travelers who Sail American are offered on these splendid American ships!

EVERY WEDNESDAY AT NOON TO IRELAND, ENGLAND, FRANCE AND GERMANY

Modern comfort and luxury on the finest ships flying the Stars and Stripes—*Washington* and *Manhattan*—for as little as $172 Cabin Class. $181 with private shower.

More informal, yet wonderfully comfortable travel on *Pres. Harding* and *Pres. Roosevelt* for only $129 Cabin Class. $144 with shower.

WEEKLY DIRECT TO LONDON ... FORTNIGHTLY TO COBH AND LIVERPOOL

Lazy, leisurely crossings on "American One Class" liners, where whole ship is yours—for only $100. Round trip $185.

Your travel agent will give you further information about any of these American services to Europe—free. Consult him, or

UNITED STATES LINES
No. 1 B'way; 601 Fifth Ave., N.Y.
Other offices in all principal cities

(Continued from page 122)

country's program of tourist theatricals, pilgrimages, fairs, and passion plays.

Italy is going premium conscious this year, offering hotel and gasoline coupons to tourists in addition to establishing a favorable rate of monetary exchange. At the present values a pound will bring ninety-five lira in Italy this year and Americans can exchange a dollar for nineteen lira.

A "popular train" program for tourists has been planned by Poland, which contemplates making the railroads more comfortable for tourists' needs "instead of using them as heretofore merely for mass transportation." Tickets on the popular trains will include stop-overs, food, lodging, and usual incidentals.

Hungary's strongest bid for tourist recognition will come with the "June Festival Weeks." An open-air opera is planned on the historic estate of Count Esterhazy at Tata, while in Budapest and other cities the travel season will be ushered in with colorful fêtes. The tourist trend toward Hungary was in evidence last year when a one hundred percent increase over 1934 was recorded.

Tourists who plan to motor about the Balkans will find a new highway ready for them in the form of the new Trans-Europe Motor Road No. 1. New hotels are planned along the route, reports M. L. Vidmer, manager of the Travel Service, and two new bridges are in process of being built at the international road near Novisad. In Belgrade, the new Prince Paul museum has just been opened, housed in the converted Royal Palace. The new museum will have on exhibit a valuable collection of art treasures, a large proportion of which have been donated by Prince Paul of Yugoslavia.

Part of Russia's extensive tourist program this summer will see a new hydroplane passenger service connect-

ing the Black Sea Coast resorts from Batum to Odessa to include the Crimean peninsula. Russia has long boasted of the beauty of the palaces and beach resorts in Crimea; of the orange groves and plantations of Batum, and tourists who visit the U.S.S.R. for its scenic beauty will find the view from the air more than pleasing.

Aga Kahns are said by their people to be worth their weight in gold, and this year tourists will be able to witness at the Jubilee in Bombay the traditional ceremony in which the Aga Kahn is weighed against gold. But those who expect to see 150 or 200 pounds of gold balance the Aga Kahn will be surprised to observe that the Indian people believe that 25,000 pounds are necessary to balance the scale. For such is the esteem in which the Aga Kahn is held by his people. After the weighing, the gold will be distributed to the poor.

Ninety-seven ocean liners, almost an all-time high, will provide a complete tourist service for the transatlantic. The majestic presence of the *Queen Mary* brings to a total of four the Atlantic's top-ranking luxury liners. Only a few short years ago the *Europa* and the *Bremen* divided leading laurels. Then came the *Normandie*, now hesitant to relinquish any honors of size or weight to the *Queen Mary*.

With foreign shores painting such pleasant (and inexpensive) pictures for the American tourist, Uncle Sam and his Canadian neighbors have something of an attractive program themselves to keep this side of the fence free from too much tourist depopulation. The National Parks are getting ready to accommodate almost thirty percent more tourists than last year as the result of new park extension facilities.

(Continued from page 118)

icals were classified respectively as acid, sugar, and protein—all belonging to certain types. The poison acid, named phthioic by Dr. Anderson, was sufficiently powerful to produce tubercles but could not itself cause the disease without the continuous manufacture by the germ of the sugar and protein. The sugar, known as dharabinose, when manufactured by the tubercle bacillus, joins with other sugars and in turn produces a poisonous chemical that can aggravate a tubercular condition.

Another important isolated chemical is said to enable the tuberculosis germ to "breathe."

❖ ❖ ❖

Centrifuge: Wilmington, Delaware, home of the duPonts and cellophane, is experimenting with a new centrifuge which may or may not help clear the way for a number of new commercial products, each of which may be just as ingenious (and saleable) as the famous "folding paper glass."

This machine, according to duPont chemists, might be called a "microscope for weight." Through specially constructed cells and the introduction of coloring fluid, the chemists were able to observe molecules in a solution whirling around on the centrifuge disk at a speed of 60,000 revolutions a minute.

Centrifuges are not new to either science or industry. They are used widely for the purpose of separating heavy from light particles of a mixture. The duPont machine, however, not only separates the particles but permits them to be observed, photographed, and even measured. But more than ten years ago a Swedish scientist and Nobel Prize winner, Svedberg, conceived the principle of such a machine.

❖ ❖ ❖

Locomotion in Reverse: More important than the disclosure that salamanders can be made to walk backwards by reversing the forelegs is the report by Professor Paul Weiss of the University of Chicago of progress made in the knowledge of the association between muscle and brain.

As the result of experiments by which he was able to reverse the locomotion on a salamander by transfering right and left forelegs, Dr. Weiss was convinced that each muscle was connected with the central nervous system in such a way that when the nerves and muscles were reversed the result would be the opposite of the normal The experiment indicated, he said, that the association between the brain and the muscle was not one in which experience and education played the only rôle, but one which was inherent in the nature of the organism itself.

June, 1936

Price 25 Cents

BERNARD M. BARUCH *On* "NEUTRALITY"

POLITICAL GROUND-SWELL . . . . Wallace S. Sayre

HAS THE LEAGUE FAILED? . . . . William Seaver Woods

KING COTTON'S STEPCHILDREN . . . . . W. Carroll Munro

PROPAGANDA ON THE AIR . . . . . Frank C. Hanighen

AFRICAN GRAB-BAG . . . . H. R. Ekins

PUERTO RICO'S PLIGHT . . . . Murray Paddack

"Log of Major Currents"

Marginal History-Chronology

Cartoons—Other Articles

PUBLISHED BY CURRENT HISTORY, INCORPORATED

Current
HISTORY
For June

M. E. TRACY
Publisher

LEONARD M. LEONARD
Assistant to the Publisher

JOHN C. CASMAN
General Manager

SPECIAL ARTICLES

Neutrality
By Bernard M. Baruch 33
Propaganda on the Air
By Frank C. Hanighen 45
Political Ground-Swell
By Wallace S. Sayre 53
Fascist Paraguay
By E. W. H. Lumsden 61
King Cotton's Stepchildren
By W. Carroll Munro 66
Has the League Failed?
By William Seaver Woods 71
Consumer Cooperatives
By Ruth Brindze 77
"Protected" By Hitler
By Mrs. ——— 83
Puerto Rico's Plight
By Murray Paddack 91
India's Untouchables
By Gordon B. Halstead 97
African Grab-Bag
By H. R. Ekins 105

REGULAR FEATURES

The World in Books 3
Log of Major Currents
At Home 9
Abroad 16
Science 28
Chronology 113
Marginal History 116
Authors in this Issue 118
Speaking of Travel 120

Current History. Volume XLIV. No. 3. June Published Monthly by Current History, Inc., at 63 Park Row, New York, N. Y. 25c. a copy, $3 a year; Canada, $3.75; Foreign, $4.25; two years, in U. S., $5. Subscribers should notify Current History of change of address at least three weeks in advance, sending both old and new addresses Entered as second-class matter September 28, 1935, at the postoffice at New York, N. Y., under the Act of March 3, 1879 Entered in Canada as second-class matter. Printed in U. S. A.

THE WORLD IN BOOKS

INDUSTRY again has been invited by the President to unbend and open up its payroll to labor of the relief variety. But even though it has been promised a seat in the front of the class, industry is unwilling or unable, or both, to absorb workers as fast as they are whittled out of their relief jobs. In fact, more than a few capitalist chieftains are ready to argue that their plants are already overmanned.

It would seem, therefore, from *Who Owns America* (Houghton Mifflin, $3), that Mr. Roosevelt is inviting the wrong people to his intended recovery party. The book, a symposium edited by Herbert Agar and Allen Tate, makes the point that monopoly capitalism cannot be expected to offer any worthwhile remedies for the nation's assorted economic ills. When the relief rolls are cut, there will be no corresponding increase of employment in regular industry. And when monopoly capitalism produces another Frankenstein, as in 1929, the system may be smashed beyond repair.

The simple thing to do, according to Mr. Agar, would be to give the country back to the people. Americans have allowed the "disease" of monopoly capitalism to replace democracy with plutocracy.

"Modern America is the antithesis of our ideal," Mr. Agar declares, and adds: "Unless the people who cherish the American dream have the generosity to work together now, they may soon be working side by side in the concentration camps."

The "American dream," at least in the opinion of Mr. Agar and twenty other authors who contribute to the symposium, would see a nation of small, independent, and democratic landowners. A majority of the families in the country would participate in real ownership under the plan, which the authors call a "new Declaration of Independence."

There would be no determined effort at plucking handfuls of folk from the cities and setting them down on the soil. The main idea is to make "free men" of the present farmers, tenants, and sharecroppers.

The program would take thirty years to put into effect, Mr. Agar concedes, and the strongest opposition will be that of Big Business, but Mr. Agar feels that the industrial front has been highly overrated as a deterring factor to social progress. When the movement gains enough strength, monopoly capitalism will either lay back its ears and make for the nearest exit, or defer meekly with the hope of fitting in somewhere under the new order of things.

Consumer Cooperatives

It is interesting to note that the symposium favors consumer cooperatives as an institution under the agrarian scheme. The movement has been somewhat sluggish in getting under way in this country, but has been budding during the last few years. Two million Americans have had the vision and independence to enroll in what is described as a "peaceful revolution" by Bertram B. Fowler in *Consumer Cooperation in America* (Vanguard, $3). Appropriately enough, the book has an introduction by Marquis W. Childs, whose *Sweden: The Middle Way*, described the most successful consumer cooperative movement in the world.

Mr. Fowler believes in consumer cooperation as an economic and social philosophy. It is democracy's way out, he contends, and not the least of its advantages is that it is "as American as the Constitution."

What should Americans really pay, say, for a loaf of bread? Should they be obliged to stand the costs of brilliant and fancy-salaried advertising copywriters? of a series of radio broadcasts on mystery stories, even granted that the programs are good? of some very attractive but expensive billboard displays, and of a whole mess of middlemen cramped somewhere between the farmer and the retailer? Perhaps, as Marie Antoinette once suggested, we had better eat cake.

But a large number of Americans have found that consumer cooperation offers a solution to the problem of high prices and questionable quality.

More than that, thousands have found that the movement has given them economic rehabilitation and security. The case of Negroes in Gary, Indiana, is perhaps one of the best illustrations. Of a Negro population of 20,000, one half were on relief. Normally in a state of economic bondage, the Negro in Gary found his plight even more acute. Factories and banks were closed and where work was formerly only improbable, it was now impossible as well. But of such stuff is life made that flesh needs fuel, regardless of color, and man will contrive to prolong his existence. For the Gary Negro, economic emancipation came with consumer cooperation. It started first as a collective buying and bargaining enterprise. After a while, a group managed to pool its savings and opened a small store. That store now stands as a landmark in the nation's consumer cooperation movement, doing a total yearly business of $35,000.

Mr. Fowler has supplied a helpful handbook on the consumer cooperative movement. But like most social pioneers he has allowed his enthusiasm to rush him along paths of prediction where he could do better to slow down to a walk. One might acknowledge the desirability and even necessity of consumer cooperation, but one hesitates to pronounce it the certain cure-all for all the sore thumbs of society. It would seem a little unfair for consumer cooperation to expect that the movement will resolve all the problems of war, international complications, mass production, business cycles, and even government. As Dr. Harry W. Laidler points out in his *A Program for Modern America* (Crowell, $2.50), the cooperative movement is seldom helped by claiming too much for it; in fact, its growth has been retarded by regarding it as a panacea for all ills. Dr. Laidler suggests that the cooperative undertaking serve as a supplementary, or as an integral part of a "larger movement for human emancipation."

Contemporary Problems

Dr. Laidler, a keen student of government and politics, has written a book which proves even more valuable than his *Concentration of Control in American Industry*. He does more than state his own beliefs. He carefully and honestly examines the outstanding issues of the day, and analyzes, in the light of pragmatic history, the wide range of proposals advanced to meet these problems. Speaking for himself, Dr. Laidler would forbid child labor, in the main, to all under eighteen; establish national unemployment and health insurance; introduce a cooperative system to take care of old age pensions (as opposed to the "chimerical" Townsend Plan); install a six-hour day and a five-day week; broaden public works; improve national housing; put into affect a "common sense agricultural program"; establish social ownership and control of the country's vital resources; rearrange the system of taxation; launch a program of nationalized, cooperative, and mutualized banking

institutions, and coordinate the light, power, coal, and gas industries.

Steady Finland

In his chapter on the consumer cooperatives, Dr. Laidler credits the Finnish population in this country with taking the most active and intelligent interest, as a national group, in the movement. But the ability to take an intelligent and active interest in worthwhile undertakings is only one of many commendable Finnish characteristics. Agnes Rothery tells us in *Finland: The New Nation* (Viking Press, $3), of a people who go about their personal and political problems with thoroughness and fundamental honesty.

The Finn likes a life uncluttered by the superficial ornaments and embellishments of twentieth century civilization. Give him a farm, a cottage near a lily pond, or a cabin with an evergreen forest view; give him books and time to read: make it possible for him to sell his produce and buy his necessities at a cooperative store, and give him time to be alone.

It is noteworthy that while other nations have turned their backs and tightened their purse-strings on the question of paying war debts to the United States, Finland regularly sends the interest due together with part of the principal. Miss Rothery attributes this to intellectual as well as basic honesty, for the Finns are thrifty, prudent, and know how to handle money. Already the nation has paid sixty percent of its foreign indebtedness and expects to have the entire amount paid off by 1940.

Miss Rothery is more than one of the our greatest travel writers. In *Finland: The New Nation*, she has also established herself as a competent government observer. Perhaps the most eloquent tribute due the book is that it is worthy of a Marquis Childs or a Hendrik Willem Van Loon.

Groping Italy

Just as it appears that Finland has found its social and economic stride, so does it seem that Italy is still fumbling around for a clear footing. Gaetano Salvemini, who was asked to leave his native Italy after refusing to endorse the fascist formula, reports in *Under the Axe of Fascism* (Viking Press, $3), that the lot of the common man in the domain of Il Duce can show little improvement over the pre-fascist days.

Dr. Salvemini, now a special lecturer at Harvard and Yale, is perhaps the most qualified critic of fascism in this country. His knowledge of Italy and its Man on Horseback is more than that of average foreign news observers; he was a professor of history at the University of Florence for many years.

Dr. Salvemini has chosen the method of indicting fascism by its own words and acts. He wisely takes the position of quoting from fascist sources to show that Italy is a good deal less than most of its supporters have claimed. Confining himself, in the main, to an objective study of the relations between capital and labor, Dr. Salvemini does some debunking of the propaganda which sought to show that labor has thrived under fascism. Wages have been cut and scraped, yet the worker has been asked to be thankful that the State is allowing him the opportunity of sacrificing for the benefit of his country. The cost of living, as one might expect, is far below that of the United States, yet Italian wages are so much lower proportionately that it takes an entire family working at maximum wages to live without severe hardship. As a result, the standard of living is very near, if not at, the nadir of existence. And the strike has been outlawed as a medium of protest. For in Italy, there can be no protests or strikes; the labor organizations are vest pocket company unions of the corporative State, and those who would cry out against intolerable working conditions and insufficient wages find few who are willing to run the risk of protest.

Reporter in Europe

There is much about Dr. Salvemini's book to suggest it as companion reading to *Europe Under the Terror*, by John L. Spivak (Simon and Shuster, $2.50); *Face of Revolution*, by Michael John (Macmillan, $2.50), and *Millions of Dictators*, by Emil Lengyel (Funk & Wagnalls, $2). All three books are based upon the authors' experiences in asking questions of people, politicians and diplomats.

John L. Spivak, about whom many drums have been beat as an ace reporter, scuttled through Italy, Germany, Poland, Czechoslovakia, and Austria prying into the lives of people under fascism. In Italy, he found much in common with Dr. Salvemini; Italian laborers were squirming under the oppressive heel of capital, and the government spent most of its time patting the back of capital with one hand and making gun powder with the other German labor was suffering, too, but Mr. Spivak was able to record other facts in his notebook on the Nazis. For one thing, Germany is in a stew of spies, check spies, and double-check spies. Mr. Spivak pictures a wire-tapping, dictaphone-planting Germany, with a system of political racketeering and cut-backs that would put Boss Tweed and Al Capone to shame. Poland isn't even doing a good job at fascism. She has difficulty in controlling labor, and strikes are strung throughout the land. And Austria and Czechoslovakia do not quite present the picture of nations which are about to burst into the full bloom of peace, prosperity, and content.

World Personalities

The author of *Face of Revolution*, veiling his identity behind the name of Michael John, did not confine himself, as Mr. Spivak, to fascist-minded countries. "Mr. John" took in the United States,

Great Britain, and Russia, as well as Italy and Germany. And if there is anyone of importance that the author has passed by, the reader will be hard put to find who it is. In the United States the author engaged in thumb-nail interviews with a wide range of personalities including Mr. Roosevelt, Senator Borah, Secretary Wallace, and Sally Rand. Abroad, the author spoke to Lloyd George, Maxim Litvinov, and Goering, among others.

In spite of its somewhat fragmentary quality, *Face of Revolution* is significant reading. But while "Mr. John" has sought out rulers and leaders as vital forces in the making of history, Emil Lengyel takes the view in *Millions of Dictators* that the "average man" is more the ruler than the ruled. The thoughts and activities of "average men" really shape a country's destiny, the author holds.

One is apt to philosophize after reading the book, that the world is a bumpy deck on to which have been sprinkled moving, breathing, objects of various forms and sizes. But complications arise. There will be interchange and conflict of ideas; there will be an unlimited number of circumstances and combinations which will make life both interesting and intolerable. And always, as in the case of a card game, the deal and combination will be different. Out of these combinations will come economic and social philosophies, political doctrines, attitudes on peace and war. . . .

The combinations, Mr. Lengyel seems to believe, have made possible men like Hitler and Mussolini —puppets, manipulated by the "average man," Mr. Lengyel's hero.

But one finds it difficult to accept the thesis that personal magnetism, dynamic oratory, and genius in mass leadership play only secondary rôles in the making of dictators. Nor does it seems reasonable to admit that people do the dictating, and that the dictator seldom follows his own counsel. One reads, for example, in the biography, *Hitler*, by Konrad Heiden (Alfred A. Knopf, $3), of a nation whose emotions, ideals, and even philosophy have been die-cut to fit a certain pattern shaped by its leader. For Hitler has fertilized in the minds of his people his own exaggerated notions of superiority, power, and prestige. He has stirred the blood of the German people with his own, and has imbued the people with a peculiar vanity to take the place of the wounds of Versailles.

Mr. Heiden has come even closer to revealing the real Hitler than *Mein Kampf*. As a penetrating analysis of the personality that is Der Führer, *Hitler* should be compulsory reading for psychologists as well as historians.

❖ ❖ ❖

The literary horizon gleamed last month with the publication of the fourth edition of H. L. Mencken's *The American Language* (Alfred A. Knopf, $5). Mr. Mencken, who has streamlined the Amer-

(Continued on page 126)

Good Neighbors
The Bell System serves the whole country, yet it remains close to the people. The people use it. Their savings built it. "It belongs to Main Street."
The two hundred and seventy thousand employees of the Bell System live and work in your neighborhood and in similar neighborhoods in every section of the country. They are good neighbors. Thousands of times each day and night their activities bring friendly aid to those in need.
To every one—to the newlyweds, to the man in the grand house on the hill or the little lady with the shawl—the Bell System offers the same full measure of service.
And seeks to do it always with courtesy and sympathetic understanding—in the manner of a friend.
BELL TELEPHONE SYSTEM

Current HISTORY

JUNE 1936

LOG *of* MAJOR CURRENTS

AT HOME:

CURRENT history, (small "h"), should be approached with caution and openmindedness, particularly with respect to conclusions. It flows from a background, of course, but not always from the immediate background. In its more startling phases it often defies, contradicts, or even shatters the immediate background. Mussolini, for instance, appears to be borrowing from a background closer to Julius Cæsar than to Garibaldi. The background of Nazi-ism is hardly discoverable this side of the 1848 revolution. We Americans seem to be taking up the argument over centralization where Hamilton and Jefferson left off, with our partisan cleavages somewhat reversed and badly confused. Our orgy of idealism contracted during the war is about over. We awake to find that, while we were dreaming, racketeers, exploiters, and borrowers got away with most of the cash. Of equal importance, we awake to discover that we did not understand current history so well.

Go back over the last twenty years and see for yourself how badly we misconstrued the drift of events. When war broke out in 1914, most of us felt sure that it could not last very long; perhaps not beyond Christmas. We felt even surer that we would not be involved. As late as the fall of 1916, we re-elected Woodrow Wilson on the theory that he had kept us out of war, and with the implied belief that he would continue to do so, but within one month after his second inauguration we were at war. We thought we were fighting to end an order which made such wars possible; to spread democracy; to make Europe see the folly of armed force, diplomatic intrigue, and secret alliances; to promote the idea of peace through "open covenants openly arrived at"; to discourage the persecution or mistreatment of minorities; to uphold the right of self-determination, etc.

Look at the result: dictatorship, suppression, imperialism, conscription—all of it and much more built on a mountain of repudiated debts and evaded obligations. We cannot hope to gain much by quarreling with these stern realities, especially if our objective is to live at peace with the rest of the world, but we can hope to gain something by recognizing our own blind

spots with respect to other people, their motives and their reactions. Who knows that we would have done much differently had we been in their place? We cannot put ourselves in their place, however, any more than they can put themselves in our place. We cannot see communism as the Russians see it, the necessity of maintaining a balanced power in continental Europe as the British see it, or the Franco-German situation as the French and English see it. We have a different and a shorter background.

Politics

As happens in the spring of each fourth year, the business of getting ready for a national election emerges to overshadow other American activities. Since this is the thirty-eighth time the drama will have been staged, most of us are well acquainted with the mechanical set-up. We know exactly what to expect—the organized ballyhoo, the trick oratory, catch-phrases, epithets, personal invective, direct-by-mail appeals for money, high-pressure salesmanship on the part of local workers. Nominally, most of us will continue to line up as Republicans or Democrats, but actually we will be for or against the New Deal. From the standpoint of party doctrine, party tradition, and party enthusiasm, as we have come to understand them, the New Deal makes a poor issue. In the first place, much of it has been scrapped by the Supreme Court. In the second, what remains is too full of inconsistencies or unqualified approval or disapproval. The New Deal lacks anything like a coherent philosophy. The idea of fewer pigs and more automobiles; of less wheat and more houses; of subsidized destruction on the farm and subsidized construction in other lines befuddles the average mind. In spite of this, however, many people persist in believing that the New Deal represents a purposeful right-minded effort on the part of their Government to make necessary readjustments for the common good, and that detailed mistakes, inconsistencies, or failures are of less importance than its main objective.

The New Deal is neither original nor un-American, but may justly be regarded as a natural derivative of that haphazard empiricism by which this country, under its limited, unscientific form of government has muddled forward since the beginning. "Planned economy", some call it, but it looks much more like a grand venture on the uncharted seas of experimentation, justified, if not made inescapable, by a great and wholly unlooked for emergency. In that lies its real appeal. We Americans like such ventures because we are used to them. We like impulsive heroics. We like sudden experiments and sweeping reforms, especially if they do not last too long or cost too much. The New Deal intrigues us by its very magnitude, its wholesale defiance of tradition. A similar attitude of mind played no small part in drawing us into the war, prohibition, the boom under Coolidge, and, finally, depression.

Fear of Power

In one respect, the New Deal satisfies a very deep and very old American complex—fear of power. This complex was imported with the earliest settlers. It dominated colonial life; it was largely responsible for the Revolution; it exercised considerable influence on the Constitutional Convention of 1787. It can be credited, or charged, if you prefer, with the system of checks and balances, the division of authority, the rigid adherence to State rights and local self-government by which this Government was

deliberately weakened. Our forefathers sought nothing more determinedly than effective guarantees against the development of centralized power and remote control. They saw power, however, in a very different light than we do. In their day, the two principal sources of power were thought to be politics and religion. By preventing the formation of a strong central government and by forbidding the establishment of a State religion, they imagined that they had insured liberty for all time. But that very liberty led to the uncovering of a whole new source of power. Out of the right to think and act freely came a multitude of inventions and devices: machinery, mass production, the nodern corporation, and trade combine. Within a century, Americans found themselves facing a wholly unforeseen base of power—economic power which was nonetheless real because of its unofficial character.

It was many years ago that the people of this country became frightened of the virtually unrestricted power of big business, especially in its public, or quasi-public, undertakings, and that political leaders began to experiment with ways and means of regulating it. Establishment of the Interstate Commerce Commission, enactment of the Sherman Law, passage of the Pure Food and Drug Act, as well as many other similar measures, mark the advent of a new policy. This policy took root not only in Washington but in every State capital. Rules and regulations designed to curb economic power through the expansion of political power were provided on every hand and by every available agency of government. The New Deal is just another step in this general direction, albeit a more drastic step than had yet been taken.

Those opposing the New Deal on economic, traditional or legalistic grounds appear to be making little headway. Its alleged radicalism and unconstitutionality have failed to strike fire. Such organizations as the Liberty League and the Southern Committee to Uphold the Constitution seem to be making more noise than converts. No Democratic primary thus far held discloses anything like a formidable defection. It would be unwise, however, to interpret all this as indicating an unbeatable sentiment in favor of the New Deal. Its cost, inefficiency, and failure with respect to particular experiments are having their effect. Mounting debt, increased taxes, and the continuance of unemployment touch millions of people right down where they live. There is definite dissatisfaction with the administration of relief, especially that of work relief. There is definite alarm with respect to credit and taxation. But—and this seems to be the most important point of all—if the New Deal lacks a philosophy, the opposition lacks a program. The oft-repeated statement that "you can't beat somebody with nobody, or something with nothing" probably expresses the attitude of many independent voters in this country right now.

Arguments

Among the more effective arguments or influences in favor of the New Deal are:

1) President Roosevelt's popularity.

2) Chairman Farley's organization.

3) Enormous funds for relief and work relief.

4) Some huge enterprises that really intrigue the popular imagination, such as TVA and the Columbia River development.

5) General recognition that something drastic had to be done

and done quickly; that blunders were to be expected and should not be taken too seriously.

6) Changing sentiment toward the exercise and administration of police power.

Influence of G-Men

J. Edgar Hoover and his little army of six hundred super-sleuths have done as good a job in getting publicity as in apprehending criminals. It is quite true that they benefitted by a public sentiment which had been pre-conditioned by the movies, Sunday supplements, and other media of crime portrayal. It is also quite true that, like the Roosevelt Administration, they were privileged to operate against the background of a spectacular emergency. But—and making due allowance for all this—their work has been effective; so effective, indeed, as to bring about a marked change in public opinion with reference to police power.

The people who founded this country had very deep convictions with regard to police power. Their colonial experience taught them to regard it as the most irritating expression of authority. They emerged from the Revolution determined to so limit and restrict police power that it could not possibly be made use of as an instrument of unified control. They not only confined it to a local basis as far as they could, but made it amenable to the popular will. They frowned at the creation of State police forces and refused to sanction anything approximating a national police force.

Modern crime, as made possible by high-power automobiles, sub-machine guns, shyster lawyers, crooked politicians, and the art of organization, revealed our police power in a sorry light. Few will deny that its inability to cope with twentieth century gangsterism has been amply demonstrated and that the public is right in demanding drastic reformation.

The manner in which the G-Men have successfully coped with our modern criminal abnormalities is highly pleasing to the exponents of efficiency. Their effective work, coupled with the emergency out of which it grew, has changed the prevailing attitude toward the exercise and administration of police power to a marked degree, which, of course, implies a change of attitude toward the centralization of government in general. It is not going too far to say that the G-Men have become a factor in reshaping public sentiment along New Deal lines. Their work has persuaded many that organized police power is to be dreaded less than organized crime.

Freedom of the Press

If many people are favorably impressed with the idea of centralized authority through the expansion of political control, many newspaper publishers are not. At the recent A.N.P.A. convention, the blanket seizure of telegrams by the Black Committee was denounced, and the suit brought by William Randolph Hearst, in which it was alleged that the search-and-seizure clause of the Constitution had been violated, was approved. In dismissing this suit, however, Chief Justice Wheat of the District of Columbia Supreme Court said:

"* * * * I have not been informed yet of any case in which any court has assumed to dictate to a committee of the Senate, and I do not feel that I have a right to inaugurate any such principle * * * You cannot say that the proprietor of a newspaper is not amenable to ordinary judicial process or that his communications with his subordinates are sacred. I do not think any question of the freedom of the press is involved."

In this connection, it is well to keep in mind that freedom of speech and freedom of the press do not mean the same thing. Freedom of speech implies the individual (or group) right to express opinions freely, with the proviso, of course, that such opinions do not advocate the overthrow of the Government by violence. Freedom of the press, however, includes something more. For one thing, it includes the right to go out and dig up something to express, to report what other people are doing and saying, and to exercise privileges which facilitate such reporting. The press is not only a medium of expression, but a medium of exploration. Its function depends largely on its ability to gather and dispense, not only its own opinion, but the opinions of others. This function includes the gradual acquirement of many special privileges. Naturally enough, these special privileges involve special responsibilities.

In his address to the A.N.P.A.

EVIDENTLY ALL DONE WITH MIRRORS

—Herblock for the NEA

convention, Sir Wilmott Lewis said:

"We have been told that the duty of the newspaper is to comfort the afflicted and to inflict the comfortable. I heartily agree * * *".

After criticising the motives that have come to identify certain newspapers rather sharply, Sir Wilmott warned that the catch-phrase,"freedom of the press", was often a mask concealing a plutocracy of newspaper-owners. In conclusion, he suggested that the press would be wise to consider the dangers to its freedom coming from within as well as those coming from without.

Social Security

The Social Security Act, which an English critic describes as "the most comprehensive piece of legislation the world has ever seen", synthesizes in many respects the idealistic aspirations of the New Deal. Incorporated in its diffuse ramifications are the machines for alleviating the suffering of the aged; for dissipating their fears of destitution; for inaugurating the "more abundant life" which in every sense must be unhampered by the specters of immediate hunger and the obscene perversion of self-respect through enforced idleness. President Roosevelt has already proceeded a good distance along the path to realization. The objectives are fairly well delineated in the minds of the people.

There has come from those who have examined the bill a free criticism, largely constructive. Few dare question the aspirations of the bill lest they enroll themselves in the ranks of the cynics, pessimists, and embryonic fascists. Who would quarrel with the premise that old men and women should spend their decline assured of economic peace? Who would flatly deny the worker a modicum of unemployment insurance? And yet critics have produced arguments against the bill which, although intolerable to partisans of the bill, are nevertheless impressive.

In the light of experience the British have found certain aspects full of forebodings. Like many other things emanating from the halls of American legislation, the bill has the inherent quality of being ambitious: Federal pensions are high, and with pensions based on a percentage of average wages, the bill sets the Social Security Board an awesome task of either current record-keeping or archæological research after 1942, into the employment histories of claimants. There are other points of contention, including a skepticism of the "merit rating", or the so-called Wisconsin plan, which will persuade employers to stabilize their employment and will, in any case, make the punishment fit the crime. This method has been tried by the British and abandoned. Most baffling of all, however, is the problem of applying forty-eight different systems of insurance within a single country to a comparatively mobile labor force.

These are formidable obstacles confronting the men delegated to put the machinery into operation. It is reassuring to all that they have dared a beginning, long delayed. Since February, the Social Security Board reports that it has helped ten States administer unemployment compensation laws at a cost of $350,000; that it has augmented old-age funds in twenty-nine States by $5,000,000; that $700,000 has gone to seventeen States to care for 100,000 dependent children, and $420,000 for the needy blind in eighteen States.

For the future the President has given Congress a detailed budget totaling $460,800,000, of which $265,000,000 is the 1937 "premium", and the remainder to finance the function of the Social Security Board in the current and coming year.

One contingency impossible to guess will be the judgment of the Supreme Court. Mr. Ronald Davison sums up in the *Manchester Guardian*: "It is, of course, possible that under the American Constitution, that lethal anachronism, the Supreme Court, may frustrate the whole of this courageous effort to place a vital piece of social machinery on a Federal and Nation-wide basis."

Relief and Unemployment

Like most other governmental activities, the unemployment situation and the consequent necessity for relief have become political issues. The result is a mass of conflicting figures. Administration spokesmen present the problem in a very different light from that in which opponents of the Administration would have us see it. An amazing lack of reliable, authoritative information makes this possible.

What is the actual unemployment situation? How many people are unemployed, and what proportion of these are unemployables? How large is that constantly floating population that avoids work? Despite this nation's highly integrated systems of vital statistics, and the Government's opportunities for making comprehensive surveys, the only figures available on the problem are estimates.

President Roosevelt has spoken of our seven million unemployed, and the International Labor Office has put the figure at 12,600,000. William Green of the American Federation of Labor states that there were 12,184,000 unemployed at the end of April. None of these figures is based on an actual census. Secretaries Roper and Perkins have made little more than cursory surveys of employment, and Harry Hopkins' attempt was short-lived. According to a survey being conducted by the *New York Sun,* there are fewer than 12,000,000 unemployed in this country. The *Sun* declares that the greatest number of unemployed is in agriculture, mining, and railroading, and proves to its own satisfaction, at least, that in other lines the number of men employed today is greater than the number employed in the same occupations in 1929. The survey indicates that the number out of work at present in all occupations, except agriculture, forestry, and cosmetic service, amounts to about 3,500,000.

According to Mr. Hopkins, there were about 23,000,000 persons on relief in the first part of 1936. Relief expenditures from March, 1933, to the present have amounted to more than ten billion dollars, including Federal, State, and local relief measures. Of this sum, about 80 percent has been Federal expenditure. The burden of relief remains too near static for one to predict that it will soon be lifted or materially lightened.

The Hindenburg

The epoch-making flights of the *Hindenburg,* newest air queen of the Zeppelin Company, are both spectacular and enlightening. They merit all the publicity they have been given. All the civilized world marveled and admired and will not soon forget. With the passing of a few months, or at least a few years, such flights will topple from the realms of the spectacular to the prosaic level of the routine.

Americans have a long record of alternate horror and admiration for these colossi of the air. Disaster has overtaken most of their attempts to master this medium of transportation, which has only been brought to any degree of perfection whatever in the country that gave it the world. Germany yields to none in the technique of lighter-than-air transport, and yet even there in its cradle the dirigible has had no astonishing success in terms of produc-

tion. Since 1925, Commander Hugo Eckener, who inherited control of the Zeppelin organization after Gemmingen died, has succeeded in raising funds for only two ships—the *Graf Zeppelin* and the *Hindenburg.*

The United States has built as many dirigibles, if not with such success. Few people will forget the dramatic crack-up of the *Akron* off the New Jersey coast. It was a brutal blow to the exponents of lighter-than-air craft in the United States. Like the British who endured the spectacle of a human roast in the shattered wreckage of the R-101, Americans were willing to drop for the time being, at least, the experiments with dirigibles. Some denounced it as a German snare; others attributed it to the subversive doctrines of Marxism. Cooler heads weighed the words of Eckener and came to the sane conclusion that we had failed both structurally and humanly to produce the near-perfection that is so large a factor in dirigible operation. It was these latter persons who felt both admiration and shame that Germany, an economic cripple, should skilfully and audaciously consummate the latest international adventure at the expense of the United States. And they still feel that nothing is too difficult for American skill, that the country which has pushed commercial airplanes to perhaps the highest degree of perfection on a mass basis should not hesitate to strive for mastery in the lighter-than-air craft field.

The inability of the United States to develop the dirigible is easier to understand than its failure to maintain a once powerful merchant marine. With everything from the latest boondoggle to the largest hydroelectric dam a subject of political debate, it is a mystery to the average citizen just why the merchant marine is being neglected. Early in the present Administration a feeble attempt was made to investigate the ocean mail contracts; nothing came of it.

Merchant Marine

Realists, perhaps, have something more than a thirsty desire for innocent bloodshed in support of their argument that in a world of war America should possess means of defense. Merchant marine would, of course, become a most important line defense in the event of conflict. Even the most pacific of newspapers commented with admiration upon the British foresight in making the *Queen Mary* easily convertible to the emergencies of war. We cannot point to a similar accomplishment, although the memory of our hurried assembly of merchant ships built of concrete, green wood, and crooked steel during the War is still a source of humiliation.

Japan has in the process of building, eight 19-knot freighters for the express transport of silk. Although this program can scarcely be called a threat to our runner-up position to Britain in gross tonnage, it is a sign of the times. In 1934, the United Kingdom built 231,408 tons; Japan built 89,480 tons; the United States built 144 tons.

Numerous explanations are offered for this amazing disparity in tonnage. The fact remains that the United States has become inured to the spectacle of American passengers and freight shipped in foreign bottoms

ABROAD:

Three statements, made by Italian and Ethiopian statesmen, summed up the grim implications which Italy's African venture carried for the world.

In the brief sentence, "Ethiopia is Italian", Mussolini presented the other nations with a *fait accompli,* which

they might or might not like, but which they had to face.

Baron Aloisi expressed his country's disdain for any objections which the League might raise to Italy's occupation of Ethiopia with the words: "There exists no semblance of an organized state in Ethiopia. The sole existing sovereign in Ethiopia is Italy. Any discussion on the subject of Italian-Abyssinian differences is therefore without purpose."

The Ethiopian representative at the meeting of the League Council voiced the fear and disillusionment of a weak nation which realizes that, notwithstanding the League, might was still right. "The crime has now been consummated," he said. "The covenant has been torn up."

Berlin and now Rome have brought to a bitter interruption the hopeful and idealistic experiment which was the only worth-while legacy of the last war. The post-war treaty system has been thrown wide open. Nations are reverting to other methods of achieving security. Arms budgets continue to swell, and a system of alliances, on the pre-war model, threatens to replace the now prostrate League. Mussolini has hastened the division of Europe into armed camps. (See page 71.)

Ethiopian War Ends

With the flight of the Negus and Italian occupation of Addis Ababa, Mussolini presented the world with a final and convincing proof that he was not bluffing when he set out to conquer Ethiopia.

For his victory, Mussolini could thank Herr Hitler and the British and French military and financial experts. For, with remilitarization of the Rhine, France's predominant consideration immediately became that of Italian support against Germany. Hence, in the League negotiations, France opposed all British proposals for the imposition of further sanctions.

A bargain was struck. France would not urge the lifting of sanctions if Great Britain would not urge the imposition of more severe ones until after the French elections.

Any faith that League nations had in the present sanctions lay in the opinion of military experts that Mussolini could not subjugate Ethiopia before the June rains set in, and in the estimate of financial experts that Italy could not afford a second campaign in the autumn. With the complete demoralization of Ethiopian resistance, Mussolini completed his conquest by early May and proved the military experts wrong. He defeated the League by a month.

Italy still faces the lengthy and expensive task of consolidating her conquest. She may be inhibited by the continuance of League sanctions and her domestic financial difficulties. Meanwhile, King Victor Emmanuel has been acclaimed as Emperor, Marshal Badoglio has been appointed Viceroy, and Mussolini has announced his intention of leaving 400,000 troops as settlers.

France and Great Britain will claim their rights in Ethiopia under the conventions of 1905 and 1926, the former being concerned about the railway from Djibouti to Addis Ababa, the latter about Lake Tana, one of the sources of the Nile. But Mussolini holds the trump cards in bargaining for recognition of his position. He has military control of Ethiopia, and warships in the Mediterranean. And Italian troops have been placed at Lake Tana and on the Sudan border.

What Does Germany Want?

During recent weeks, the culmination of the Ethiopian war distracted

attention from German ambitions. But the mind of every statesman was preoccupied with that problem, and every decision was concerned essentially with the best way of dealing with the Nazi menace.

Hitler is notoriously anxious to include Austria, his native land, in the Reich. There is a German minority of more than 3,000,000 in Czechoslovakia; he would like to see them under the German flag. The Polish Corridor has long been a sore spot. Other "bleeding frontiers" are Memel, now under Lithuanian control; Eupen-Malmedy, under Belgium, and Schleswig, granted to Denmark. In his ambitions for a Pan German nation, Der Führer has cast envious eyes at all of these. Again, Mussolini's victory has thrown open the colonial question. There are the former German colonies, Southwest Africa, Togoland, and the Cameroons, mandated territories since the war, but to all intents and purposes parts of the British and French colonial empires.

The British Foreign Secretary, Anthony Eden, expressed a general anxiety when he prepared a list of questions to be submitted to the Germans concerning their future designs. Hitler's answers may or may not be accepted at their face value. Nevertheless this anxiety is determining the courses to be followed by the respective European nations in the next few months.

Britain Reconsiders

England has pledged herself to the system of collective security and to support of the League. She has discarded a Foreign Secretary responsible for a peace plan which was inconsistent with these principles. She has pressed sanctions against Italy. Now she finds that the Hoare-Laval plan would have given Italy less than she possesses today, that sanctions have only a nuisance value, and that the League system is in disrepute.

Of course, Great Britain can persist in trying to bring Mussolini to his knees. But that would mean continuation of sanctions and the closing of the Suez Canal—steps she would have to take alone, for the sanctionist front is crumbling. Again, closing the Suez Canal would threaten an outbreak of hostilities, endangering England's tie with the Far East and her Lake Tana interests. Professedly she is not willing to go this far. The unpleasant alternative, then, is to accept the Ethiopian situation and acknowledge a moral defeat.

It is Germany that poses this dilemma. If England alienates Italy and consequently France, she will be driven into the arms of Hitler. If she recognizes the new Ethiopian régime, she will offend a large portion of public opinion which, in contrast to France, is strongly anti-Italian. By sanctioning another defiance of treaties, she would also remove the basis for the general system of European security which she now proposes.

Mr. Baldwin has promised to "reform the League." To Viscount Cecil, who led a delegation from the League of Nations Union to 10 Downing Street, that means strengthening its sanctions; to the Marquess of Lothian, hitherto a strong supporter of League action against Italy, it means turning the League into a toothless forum for discussion. The Cabinet is split between the followers of Mr. Eden and those who would prefer the policies of Sir Samuel Hoare. The latter now seem predominant. They point to a policy of rearmament, semi-isolation, and an attempt to maintain an approximate balance of power.

British and French military experts met to bring up to date plans for Eng-

RIGHT WITH HIM TO THE VERY END

—Herblock for the NEA

lish support to France or Belgium in case of German invasion. British spokesmen made it clear that they would make no concessions to Germany by returning African colonies. (See Page 105.) These actions pointed England towards the Franco-Russian alignment against Germany. But, at the same time, English opinion, probably strengthened by the Germanophile tendencies of the new King, remained anxious to keep the way open for a rapprochement with Germany. England now awaits the answers to the questionnaire addressed to Hitler by Foreign Secretary Anthony Eden. Der Führer began charting Germany's resources as a preliminary to these

answers. It seemed likely that he would ask a few questions himself.

King Fuad Dies

Italy's Ethiopian victory made security of Britain's position in Egypt absolutely vital for protection of the Suez Canal and of the Egyptian Sudan.

While the campaign was on, however, King Fuad died of a heart attack and his son, Prince Farouk, with only six months of his training at Kingston Hill and the Royal Military Academy at Woolwich completed, succeeded him. The new King is only sixteen, so a Regency Council will rule for two years.

King Fuad was Britain's choice when Ismail died in 1917, and the British Army of Occupation ruled Egyptian affairs. Youngest of Ismail's twelve sons, he was made Sultan, after the eldest son declined. In 1922 he was made King of Egypt, ruler of Nubia, the Sudan, Kordofan, Darfur.

King Faud's death came as a new Anglo-Egyptian treaty was being drawn up, looking toward a trade: consent to British domination in the Sudan for Egyptian independence.

The first effort in that direction was made six years ago when Arthur Henderson was Foreign Secretary in the British Cabinet. The powerful Wafd national party in Egypt rejected the treaty, however, and demanded outright independence for all Egypt. Efforts to force consent lead to suspension of Parliament two years ago, and constitutional liberties had only been restored in Egypt last December.

The Wafd Party began an immediate campaign. In April, when the returns from civil elections were counted, the Wafd had won all but thirty-two of the 232 seats in the Chamber of Deputies, and sixty-two of the seventy-nine seats in the Senate which are filled by popular election. Fifty-two additional Senators are named by the Regency Council.

Down went the hopes of the British treaty-makers.

Arab-Jewish Riots

Arab politicians, eager for the establishment of a legislative council giving them power to vote on all questions of policy, including immigration, gave another ache to Britain's whirling head the past month.

Such a council would violate the terms of the British mandate and go directly contrary to the Balfour Declaration. The Jews denounce it as premature, and as threatening their economic security, since the first plank in the legislative platform unquestionably would be to shut off Jewish immigration.

The Arabs started an intensified campaign to rid the country of its present Jews, and bar future additions. Riots, bloodshed, and finally a general Arab strike with attendant murders resulted.

Britain decided on gunpowder for the headache. The strike was ordered canceled, and transport planes filled with British soldiers flew from Cairo to enforce law and order. Arms were distributed to Jewish settlers in the Jezreel and Sharon valleys, as well as in the American Jewish colony at Raanana and Kfar Saba.

Jewish leaders immediately sought Britain's consent to bring in at least half a million more Jews, holding that by sheer increasing weight of numbers the Arab population could be held in check.

Armaments and Economics

In contrast to the professedly peaceful wishes of the majority of European peoples stands the mounting bill for armament. This outgrowth of political

nationalism has intensified its equally menacing counterpart: economic nationalism.

The British budget set aside the largest appropriation yet made for armaments — £20,000,000. The cost of additions to the British Army, Navy, and Air Corps is being brought home to Englishmen by a rise in the basic rate of the income tax to 23¾ percent, which affects 300,000 of the 1,400,000 taxpayers, and by a 50 percent duty on tea, which affects all.

The Italian *Official Gazette* showed an expenditure of $800,000,000 on the conduct of the Ethiopian War. This strain on the nation's exchequer has been intensified by an economic nationalism, externally imposed. Sanctions resulted in a reduction in Italian imports from 14,650,000 U.S. gold dollars in February 1935 to 8,230,000 in February 1936, and a 50 percent decrease in exports over the same period, according to League of Nations figures.

In the British House of Commons, Winston Churchill quoted statistics to the effect that in 1935 Germany had spent $4,000,000,000 on war preparations. In the Reich, observers interpreted the supersedure of Dr. Schacht by General Goering as a sign pointing away from the rigid, deflationary orthodoxy of the Reichsbank's president and probably indicating devaluation of the mark. Faced with the absolute necessity of obtaining some foreign credits, Germany probably will have to devalue in any case to facilitate exports, even if she is thereby forced to pay more for the desired imports. Domestically, she is at her wits' end to find means of financing her armament program, and a financial crisis is threatened.

It is not necessary to conclude that expenditures upon armaments have been entirely militaristic in motive. In many countries they have largely supplanted unemployment relief. The fact remains, however, that the strain of maintaining these expenditures has made it more difficult for the nations involved to meet their external obligations. Debts inherited from the war, like the treaties, have been disregarded because it has become impossible to observe them. And the normal processes of international trade have been progressively inhibited because of the cut-throat policies of nations trying to avert disaster to their respective currencies.

In Europe, economic strife continues to accentuate political bitterness.

France Moves Left

The internationally significant French elections gave the Popular Front, composed of Socialists, Radical-Socialists, and Communists, 381 seats; the Center, 115; and the Right, 122.

Most striking was the heavy swing to the Left. This was at the expense of the moderates rather than of the Right, and the apparent hardening of French opinion into extremes emulates a process now far advanced in the nations under dictatorships.

The Left's victory was essentially the result of a protest vote—first, against the Sarraut Government's conduct of foreign policy, especially with regard to the Italo-Ethiopian dispute; second, against the continued burden of deflation and unemployment at home. Contributory factors were the riots over the Stavisky scandal, in which Royalists were involved, giving the Left an opportunity to exploit the anti-fascist cry, and the Franco-Soviet pact, which had made communism respectable in France.

Previous Left majorities have failed to hold together in the face of crises —generally trumped-up by the Right. The Popular Front of 1936 has a wider and firmer base than the unsuc-

cessful Socialist-Radical cartels of 1924 and 1932, but it remains to be seen whether it can retain the support of the moderate Radical-Socialists through times of emergency.

Parliamentary government in France is at a notoriously low ebb. The new Government is a people's government with wide support. But behind the victory of the Popular Front lurks the shadow of the fascist Croix de Feu, ready to take advantage of any failure on the part of the administration "to deliver the goods."

The new Government will take office in June. M. Blum, leader of the Socialist Party and the Premier-elect, has promised a firm, almost dictatorial rule and he will stand no nonsense from the fascists and the panic-mongers of the Right.

In domestic politics, the Administration proposes a policy of "reflation" as an answer to the pressing financial problem. The board of regents of the Bank of France, center of France's financial oligarchy, will be reorganized. There is no present intention of abandoning the gold standard, but French policy in that respect is more likely to be determined by inexorable events.

More important is the desire of the new Government to support the League of Nations and the principle of collective security. It is prepared to make a new deal with Germany and to reduce armaments.

These professions are hopeful, but they may have come too late. Here again events will probably dominate policy. The Socialists and Communists are pacifists. But they are also militantly anti-fascist and, above all, they are Frenchmen.

If Germany will not meet her half way, there can be little change in France's policy. She will remain delicately poised between Great Britain and Italy, endeavoring to assure that the military support of these two nations will be added to that of Russia in the event of invasion.

And Spain Goes Further Left

The French Left victory represented a protest against a garbled international situation. Spain, however, continued in a radical direction for domestic reasons.

Premier Manuel Azaña and his Left Republicans paid increasing attention to the Marxists on their left.

President Zamora, who had been responsible for Alfonso's abdication and the establishment of the Republic, was voted out of office for his alleged favors to the Right. The Fascist Falange Espanola was disbanded, conservative Army officers were dismissed, there was a shake-up of the Civil Guard. Thirty thousand political prisoners were granted pardons, workers discharged for revolutionary activities were reinstated, and a bill to redistribute land holdings gave legal confirmation to seizures by Communist peasants.

The Left continued to move further Left. Spanish Socialists were turning Communist. Señor Largo Caballero was trying to merge the Socialist, Communist and Syndicalist organizations into a workers' party of 5,000,000 with a program of land and bank nationalization.

Premier Azaña owed his February election victory to the support of the Marxists. By dint of following them to the Left, he retained their support, which he can thank for his election as President. Now that he has achieved this objective and there is no longer an immediate incentive for him to keep united the somewhat diverse ranks of the Popular Front, it is on the cards that Caballero's movement, aiming at a proletarian dictatorship, will detach support which has hitherto

been politically essential but nevertheless uncongenial to the Left Republicans. In the meanwhile, the Right, under Gil Robles, is biding its time.

Austria Threatened

The small nations of Central Europe hitherto have depended for their security upon the treaties of Versailles, St. Germain, Trainon and Neuilly, and the Covenant of the League.

They can no longer rely upon the Versailles document and the failure of the League to protect Ethiopia has warned them that, in a crisis, they cannot count upon the assistance of the great powers. Disillusioned, they are feverishly seeking new roads to security. With the *status quo* no longer effectively preserved by treaties, anti-revisionist countries were preoccupied with the defense of what they possess; revisionist nations began to maneuver for positions in which they might grab what they could when the opportunity arose.

Austria, the apple of Hitler's eye, appeared to be next in line as a victim of German ambitions. Her present Government has survived, with a narrow basis of popular support, by dint of repressing the strong Nazi and Socialist movements at home with Italian assistance.

Austrian independence is not, however, merely a domestic problem. France and Great Britain have committed themselves to its defense. Italy cannot afford to see German territory extending down to the Brenner Pass. The Little Entente exists largely for the purpose of opposing *Anschluss* with Germany or the restoration of the Hapsburgs.

Apprehension was accentuated last month by the admission of Herr Habicht to the German Reichstag. After the assassination of Dollfuss and the attempted Nazi coup of 1934, the German Government admitted Habicht's responsibility and proceeded to disown him. Now he has been restored to grace, and Austrians wonder why.

Rumors spread of the concentration of German troops at the border. Actually these reports were unfounded, but they indicated the tension. Sir Austen Chamberlain's visit brought another crop of rumors to the effect that Great Britain would consider supporting Hapsburg restoration, the movement for which has undoubtedly gained strength.

The net result for the time being has been Austria's abandonment of the arms limitations of the treaty of St. Germain, the virtual enforcement of conscription, and the reaffirmation of her reliance on Italian military support against Germany. With Mussolini's preoccupation with African matters, however, this last has obviously lost much of its former efficacy.

The insecurity of the present Government was accentuated by the disclosures which followed the collapse of the Phoenix Wien Life Insurance Company. This aggravated hostility between the Catholic Chancellor, Kurt von Schuschnigg, and the fascist Vice-Chancellor, Prince von Starhemberg. It also furnished ample political ammunition for the continuing battle among Fascists, Nazis, and independent nationals with their respective solutions for Austria's international problems.

Two Ententes

Austrian nervousness over the international situation transmitted itself rapidly, particularly to Czechoslovakia, dreading *Anschluss*, and Yugoslavia, which knew that Mussolini coveted Albania and might use it for the jumping-off position for an attack.

The Balkan Entente—Yugoslavia, Rumania, Turkey, and Greece—met in

conference to back Turkish demands for the right to refortify the Dardanelles, and to take common steps against external aggression.

Turkey accepted the armament limitations of the Straits Convention in return for a guarantee of security by Britain, France, Italy, and Japan. Her case for rearmament is that Japan is out of the League and that Italy is now a menace rather than a protector. This argument the Conference endorsed.

There was, however, no disposition on the part of Greece and Turkey, both primarily concerned over fascist expansion in the Mediterranean rather than Balkan problems, to guarantee military support in the event of invasion. Such commitments were restricted to those now demanded by the League Covenant.

The Conference of the Little Entente—Czechoslovakia, Yugoslavia and Rumania—decided to ignore the Austrian breach of the treaty of St. Germain, but to concentrate its attention to the threats of *Anschluss* or Hapsburg restoration. Minor differences were ironed out in an effort to present a united front against either of these eventualities. Nevertheless it became clear that, in the case of choosing between the devil and the deep sea. Czechoslovakia might prefer the former in the shape of the return of the Hapsburgs, and Yugoslavia the latter in the form of *Anschluss.*

Thus, while the nations of the two Ententes drew closer together, no new treaties for mutual military action were forthcoming, with the result that Balkan armaments began to expand on the principle of "every man for himself."

Czechoslovakia followed the Austrian example in introducing conscription. The Hungarian press proclaimed the nation's right to rearm if and when it desired. Greece demanded the right to fortify Corfu and the islands of Mytilene, Chios, and Lesbos in return for supporting Turkish rearmament. Bulgaria, seeing her free outlet from the Black Sea to the Aegean Sea through the Dardanelles jeopardized, protested and prepared to arm to insure her rights. More powder was heaped on "Europe's powder magazine."

Poland Hesitates

Poland is another small buffer nation caught uneasily between the two armed camps into which Europe is dividing. Protected on the one hand by a ten-year non-aggression pact with Nazi Germany, she has a longer standing military alliance with France.

In recent weeks there was an outbreak of Jewish persecution. Polish anti-Semitism differed from the German brand in that it concentrated upon the unemployed. In short, Nazis attack Jews because they have money, Poles because they have not.

Nevertheless, the difference is one of degree, not of kind. It is not too much to suggest that Nazi propaganda which crosses the Polish border is having its effect. Aided by Poland's aversion to Russia, France's present ally, it emphasized Poland's progress towards the pro-German camp.

Diplomacy in the Far East

In the Far East, pacts and rumors of pacts concluded with mythical sovereignties abounded, as Russia and Japan used Mongolia and Manchukuo as diplomatic stalking horses. Two political incidents in April threatened conflict. But for the time being the two major powers are confining themselves to maneuvers for diplomatic advantages.

On March 12 Russia published the terms of a treaty with Outer Mongolia, guaranteeing mutual assistance in case

of attack. This was not news. The treaty had been in force as a gentleman's agreement since 1934.

China protested against the treaty. She held that it infringed her sovereignty over Mongolia, recognized by Russia in the 1924 Treaty of Pekin. That protest need not be taken seriously, however, for Russia is China's sole hope against the inroads of Japan.

On the other side of the fence, Japanese treaties of mutual assistance with the puppet Government of Manchukuo and the so-called East Hopei Autonomous Council merely camouflaged Japanese control of the provinces of Hopei and Chahar as well as of Manchukuo.

Next in line for Japanese domination are the provinces of Suiyan and Chansi, at present half independent. Shantung has military resistance to offer and is still standing out.

Japan now dominates the territories surrounding the eastern end of outer Mongolia—Manchukuo on the northeast, Inner Mongolia, Hopei and Chahar on the southeast. Outer Mongolia is the only remaining buffer between Japan and Russia. And upon this buffer state Russia is staking everything.

As explained by *Izvestia*, the Russian interest in Outer Mongolia is not territorial. It is prompted by the realization that Japanese conquest of that province would be followed by Japanese invasion of the trans-Baikal region to cut off Russia from Eastern Siberia by blocking the trans-Siberian railroad. Russia will not risk the loss of her position in Eastern Asia.

Soviet influence in Outer Mongolia today is firmly established. The system of government is soviet, established since 1921 by Mongolian princes who had joined the Red Army. There are Russian advisers, who indubitably wield power over policy. Japan might undermine the régime by working from within through the disaffected lay nobility and the Buddhist hierarchy, but that is improbable.

From without, however, the territory could not resist a strong invasion. The mutual quality of the Russo-Outer Mongolian pact is virtually non-existent. That leaves Russia as the defender. The buffer is thin, and if Japan advances she will encounter the Soviet.

Today Japan will not advance, however. The risks for her are too great. For the present, the two countries are not considering war, confining their efforts instead to diplomatic jockeying for position. But, were Germany to engage Russia in the West, the story might be different.

Neighborship in Latin America

As the League system in Europe crumbled, nations of the Western Hemisphere exhibited a contrasting tendency to cooperate. Plans proceeded for the Pan American Peace Conference to be held in Buenos Aires.

The eighth Pan American conference will endeavor to set up a permanent inter-American political organization. Canada alone has stayed out. Her imperial link with Great Britain and her obligations under the League Covenant prevent commitment to a Pan American system. South American nations share these League obligations, and it is not a foregone conclusion that Canada will follow Great Britain in a future war. Nevertheless, for the present she avoids committing herself to a Western Hemisphere system. Her position may be clarified when President Roosevelt visits Ottawa in June.

Four factors are responsible for the unusual importance attached by the rest of the American nations to the Buenos Aires conference. The first is the desire to make permanent and to clarify the new United States policy of "the good neighbor." The second is to

evolve common measures of protection in the event of war in Europe or the Far East. The third is anxiety to provide a political basis for security among the nations themselves—perhaps in the form of a Pan American League of Nations. Without this, the intolerable financial burden of increasing armaments, which costs South America some $200,000,000 a year, cannot be lifted. Fourth, members of the conference wish to escape from economic warfare, such as the tariff conflict now being waged between Argentina and Peru. Most South American states have depended substantially upon customs duties for their revenues and, as a consequence, trade has been virtually choked.

❖ ❖ ❖

Recent changes in United States policy toward the Latin American republics will contribute much to the effectiveness of the conference.

Actually the policy of intervention was expiring during the Hoover régime; the marines were taken out of Nicaragua and the Administration never seriously considered intervention. In fact, it is problematical whether the U. S. could intervene legally after signing and ratifying the Washington treaties of Conciliation and Arbitration in 1928. President Roosevelt and Secretary Hull have reaffirmed the end of intervention and have emphasized the "good neighbor" policy.

Today, South American republics feel free to bring forward what proposals they please without the fear of having the big stick brandished over their heads. Consequently, one of the most constructive proposals to be discussed at Buenos Aires will be the Argentine suggestions of a pact to make permanent the present Administration's attitude, prohibiting the use of armed forces or diplomatic agents for the collection of debts and the intervention of one country in the affairs of another.

Of more immediate importance are the implications of the clause in the American neutrality act which grants a privileged position to American nations and promises to supersede the Monroe Doctrine.

This clause incorporates into United States law the provision that, in case of war between an American and a non-American nation, an arms embargo will not apply to the former. Thus, the U. S. Government has undertaken actually to intervene in any such war in favor of the American nation automatically and without regard to which of the belligerents may be the aggressor. The implications obviously exceed those of the Monroe Doctrine, which never supposed that the U. S. would oppose every European country warring with an American nation.

The Monroe Doctrine was unilateral. So is the projected clause in the neutrality act. But if it is proposed to make it multilateral, it would amount in law to an embryonic continental alliance against any non-American country at war with an American nation, even though in actual fact embargoes imposed by South American republics would be relatively insignificant as compared to one imposed by the United States.

American Peace System

Latin Americans approach the task of establishing machinery effective for keeping peace among themselves with certain advantages in their favor.

Fundamentally, the break-down of the collective system in Europe can be attributed to its failure to bring about a change in the *status quo* by peaceful means. Peace has been associated with the maintenance of the *status quo,* just or unjust.

The 21 American republics have a simpler problem. There are no difficult racial minorities. Except for the Chaco question, there are no serious territorial disputes; what remains of the Letitia conflicts between Colombia and Peru, of the boundary disputes between Peru and Ecuador, and between Panama and Costa Rica have already been turned over to a process of peaceful solution. Since the war of 1879 in which Chile fought Peru and Bolivia, there has been no armed conflict save the Chaco struggle. Public sentiment is predominantly peaceful, and this attitude has been encouraged by the apparent drift toward belligerency abroad. The ideas of arbitration and limitation of armaments gained early acceptance in the Western Hemisphere.

Against this backdrop, there are already on the stage several instruments for the maintenance of peace. Setting aside for the moment the machinery provided by the Covenant of the League, the Kellogg-Briand Pact, and the World Court, there exist all the pacts signed in the seven previous Pan American conferences, the treaties drawn up at the Conference of Conciliation and Arbitration at Washington in 1928, and numerous bilateral pacts concluded among American nations toward the same end.

Of these treaties, the three most important are the Gondra pact of investigating commissions; the Washington Treaty, concerning commissions of conciliation; and the general Washington Treaty of Arbitration.

Under the first, the countries of America, including the United States, are obliged not to resort to force without awaiting the report of an investigating commission which has a six-month term. This term may be increased to one year.

Under the second treaty, the permanent investigating commissions were transformed into commissions of conciliation, which were to study the problem and propose a solution, the disputing nations being obliged to await their decision. A very important innovation, introduced at the Washington Conference was that the permanent commission should have the right to act when it considered that peace was endangered, even though neither party to the dispute desired intervention.

By the third treaty, all the nations concerned agreed to submit to arbitration virtually all conflicts arising among them, and methods were laid down for the automatic appointment of arbitrators or judges.

There are loopholes in these treaties. Some types of dispute fall outside their scope. There are no sanctions to make them effective. Consequently, proposals are being laid before the forthcoming conference at Buenos Aires to make good these shortcomings.

Buenos Aires and Geneva

Some maintain that a Pan American peace system will supplant Geneva; others that it will supplement the League of Nations. The answer probably lies with Geneva, and the success it achieves in mending its fences.

The first group points out that the failure to curb Mussolini and the low estate into which the collective system has fallen provided the chief stimulus to the idea of a Pan American League. They see a Pan American neutrality policy which would make Latin American membership in the League worthless and provide an excuse for other South American nations to follow Ecuador in abandoning sanctions.

Optimistic League supporters argue that Latin American republics are still bound to Europe by the League Covenant, the Peace Pact, and adherence to the World Court; that the United

States, while not a League member, sells four times as much goods to Europe as to South America; and, finally, that by accustoming itself to the principles of collective action in the Western Hemisphere, the United States may eventually slip into Geneva by the South American door.

The first group have one certainty in their favor: the Buenos Aires conference will be predominantly guided by considerations of neutrality and regional, rather than world, security. It will be inspired more by the failure than by the success of Geneva. Whether it will eventually join in the maintenance of peace on the wider, world basis remains for the future to disclose. Today, that wider basis is still an ideal, not a fact.

SCIENCE

Few men read of the attempts to rend the vale of atomic mystery without a profound sense of inadequacy. Nothing is more baffling; nothing more taxing to the unskilled mind than to conceive and hold the image beyond vision of the human eye. It can be repeated that the atom is, in relation to man, a very small, unsymmetrical structure, possessing a nucleus charged with positive electricity and surrounded by a number of negative electrons necessary to form a neutral atom.

Much has been said of this tiny substance. Too much savory speculation has been poured into the avid ears of a lay public. And yet, the scientist will admit, popularization has a sufficient justification in an economic order where science must largely depend upon private support. Without an occasional tid-bit to energize the wealthy dilettante many of our brilliant scientists might perish without ever possessing the expensive equipment to prove or disprove their theories. Even the enthusiast, who rashly predicted that, with the division of the atom, energy might be released from a cup of water sufficient to drive the *Leviathan* across the Atlantic—even he may well be excused.

Although the *Leviathan* has gone to the breakers' yard, the cup of water is still hopefully conserved for some future atomic miracle. Nothing in recent years can compare with the atom as an imaginative inspiration. Even the able Jean Perrin has concluded a study of the atom in truly enormous terms: ". . . the atomic theory has triumphed. . . . Atoms are not eternal and indivisible elements . . . we begin to suspect that in their unimaginable minuteness there is a prodigious swarming of new worlds."

"In the same way, beyond the familiar skies, beyond those gulfs of gloom that light takes thousands of years to traverse, the dazzled astronomer discovers pale wisps of light, lost in space," he said. "There are immeasurably remote milky ways, the feeble light of which reveals the throbbing fires of millions of gigantic stars. Nature discloses the same limitless splendor in the atom and in the nebula, and every new means of knowledge shows her more vast, more diversified, more prolific, more unexpected, more beautiful and richer in her unfathomable immensity."

It is in this spirit of emotional humility that the scientist breasts the unknown of the world's darkness. Who can deny him, then, a moment of rascality when, in a stroke, he produces an effect that amuses or terrifies the public?

Most people have read of the medieval alchemists who distilled strange compounds in a vain attempt to change base metal into gold. Although a successful transmutation has never been

recorded in the past, it still remains the world's number one possibility. And perhaps, it was with this in mind that E. O. Lawrence of the University of California informed the world in May that he, in party with the ubiquitous atom, had changed a baser substance into gold. That the anticipated public reaction was not overwhelming is due mostly to the identification of the baser substance as platinum, a metal hardly less valuable than gold.

Like other physicists, Professor Lawrence is attempting to discover the constitution of the automic nucleus. And like his colleagues, he is indifferent to the frantic babble of the mob which immediately envisaged a golden harvest when a dull razor blade, the least common denominator of possession, might be transmuted into money. But even before the public is done howling, calm minds add another unit to the table of various transmutation periods which range from one five-hundredth of a second to the five billion years required to transmute uranium into helium.

In the past, other atom-smashers have transmuted elements by adding or subtracting minute particles from their atomic structure. But until now, the various types of bombardment equipment, employed to inject or eject electrical particles from the atom nuclei, have been powerless to deal with the heavier elements. However, Professor Lawrence has successfully made greater refinements in this particular machinery of science. With an improved cyclotron—a type of sling-shot in which deuterons are whirled by an electromagnet until they have an energy of approximately 11,000,000 volts and a velocity of more than 15,000 miles a second—Professor Lawrence closely approached the desired maximum at which the projectiles attain the highest possible speed, combined with the greatest possible hitting power. Into this line of fire, that appears to the naked eye as a greenish blue haze of light, the young physicist placed sheets of leaf platinum. Instantly the billions of energized deuterons smashed into the platinum and shattered in two. One part, a proton, rebounded. The other, a neutron, imbedded itself in the nuclei of the platinum atoms. Pregnant with these particles, the atomic weight of the platinum, normally 196, was elevated to a substance with an atomic weight of 197—gold.

Thus, another scientific adventurer, while clinging to the accumulated knowledge of his predecessors, makes a feeble step forward into the unknown.

But Professor Lawrence is not alone in his adventure. With science as with potentially all progressive human endeavor the practicing anarchist, who places greed only ahead of possession, is excluded. Relative results hinge upon the combined efforts of ordinary men, animated with enthusiasm and endowed with the ability to submerge arrogant individualism to collective necessity. Each clears a path in his own field, and the work of one affects the work of all. Scientists tell us that there is no beginning, and imply by their work of atomic division or celestial addition that the end may be the infinitude of the greater and lesser. Yet such hypotheses are left to the imaginative who are dazzled by a blazing vision of the world; the toilers are too busy at the winepress of hard fact and bitter failure to pause for long discussions of "has been" or "will be."

❖ ❖ ❖

From fellow laborers comes word of yet another problem solved and another victory in the atomic world. Physicists have long speculated why positively charged protons in an atom adhere, despite the Coulomb's Law

that like charges repel each other. After five years of intensive experiment, Dr. Merle A. Tune, Lawrence R. Hafsted, and Dr. N. P. Heyden reported in May a solution to the problem in another fundamental law with regard to the structure of the universe—a law that will not gain acceptance until all available possibilities of disproval have been exhausted.

Working in the Carnegie Institution's department of terrestrial magnetism, these scientists succeeded in measuring the cohesive force binding the like particles at an estimated power 40 times greater than the repellent strength of electrons. In the orbit of the atom, where gravity has no influence, this anonymous, cohesive force exerts attraction only when the protons are within ten-million-millionths of an inch of one another.

To make these minute measurements the Carnegie scientists shot beams of hydrogen protons from a 1,200,000-volt vacuum tube into a receptacle of hydrogen gas, highly purified and at one-sixtieth atmospheric pressure. The protons injected in the chamber glanced off the protons already there at various velocities and angles, giving the physicists the information needed to compute the new principle's force.

By these slow and intricate degrees the evidence against the atom accumulates. Even now there are some who suspect a lesser universe within the atom—perhaps beyond the reach of man, whose imagination outstrips the feeble tools at hand.

Pavlov's Bequest

As yet, none may gage the true worth of Pavlov's research. In the minds of most people the aged scientist went quietly to his grave, in Russia early this year, leaving but the vague memory of some interesting experiments concerning conditioned reflexes. However, just prior to his death, in his eighty-seventh year, Pavlov left a bequest to the academic youth of his country; a bequest which may one day be to science what the Hippocratic oath is to medicine. Written on February 27, 1936, this "Bequest" was published in the magazine *Science*:

"Firstly, gradualness. About this most important condition of fruitful scientific work I never can speak without emotion. Gradualness, gradualness and gradualness. From the very beginning of your work, school yourself to severe gradualness in the accumulation of knowledge.

"Learn the ABC of science before you try to ascend its summit. Never begin the subsequent without mastering the preceding. Never attempt to screen an insufficiency of knowledge even by the most audacious surmise and hypothesis. Howsoever this soap-bubble will rejoice your eyes by its play, it inevitably will burst and you will have nothing except shame.

"School yourself to demureness and patience. Learn to inure yourself to drudgery in science. Learn, compare, collect the facts!

"Perfect as is the wing of the bird, it never could raise the bird up without resting on air. Facts are the air of a scientist. Without them you never can fly. Without them your 'theories' are vain efforts.

"But learning, experimenting, observing, try not to stay on the surface of the facts. Do not become the archivists of facts. Try to penetrate to the secret of their occurence, persistently search for the laws which govern them.

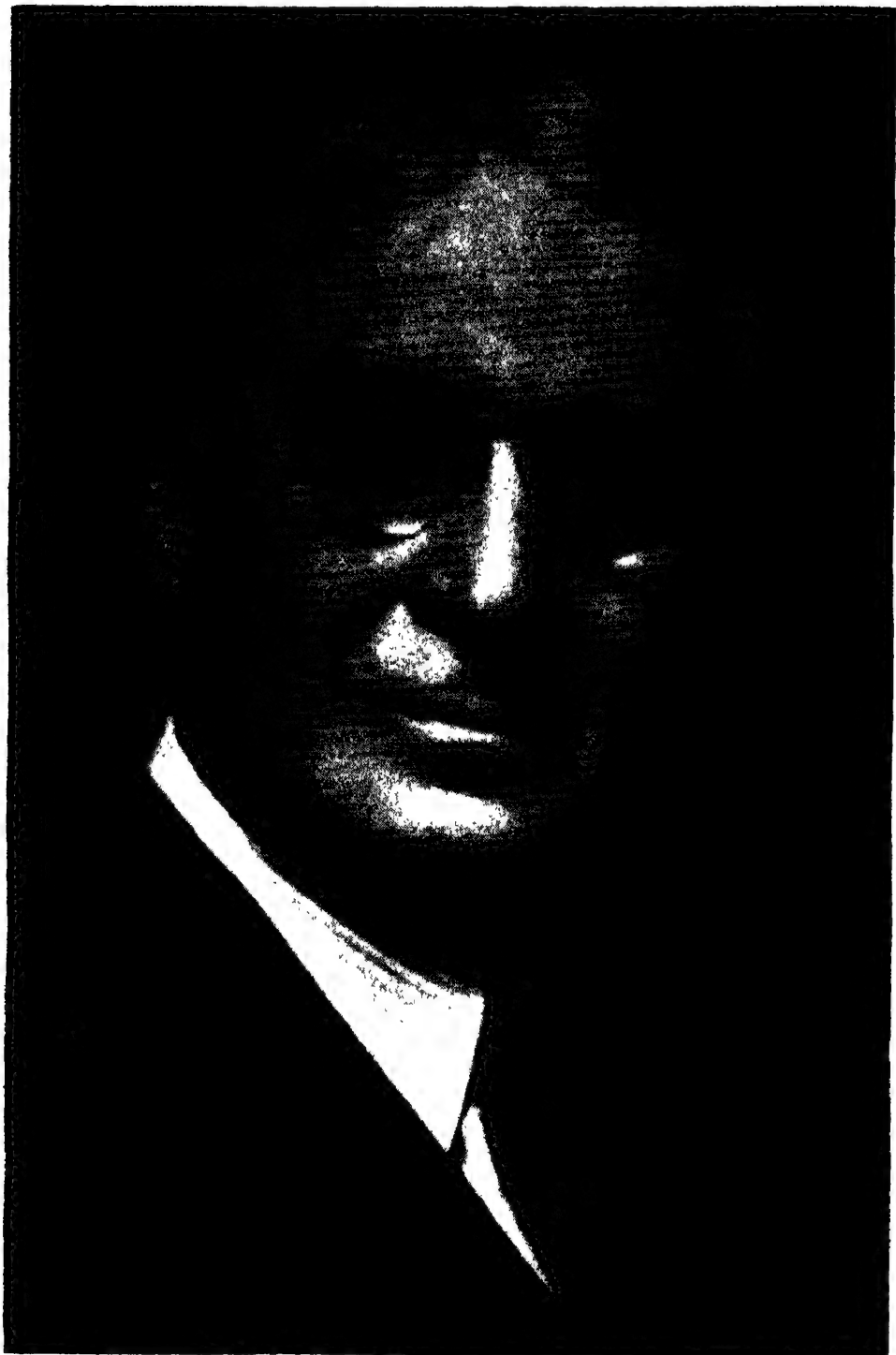
"Secondly, modesty. Never think that you already know all. However highly you are appraised, always have the courage to say of yourself—'I am ignorant.'

"Do not allow haughtiness to take you in possession. Due to that you will be obstinate where it is necessary to agree, you will refuse useful advice and friendly help, you will lose the standard of objectiveness.

"Thirdly, passion. Remember that science demands from a man all his life. If you had two lives that would be not enough for you. Be passionate in your work and your searchings."

ROOSEVELT PROPOSES AN AMERICAN LEAGUE OF NATIONS

Wilson: "Another! Remember that I was the first with that idea."

—Guerin Meschino, Milan

©Blackstone

BERNARD M. BARUCH

"NEUTRALITY"

BY BERNARD M. BARUCH

THE world is again rocked with wars and thunderous rumors of wars. This country, still suffering grievously from the eruption of civilization twenty years ago, is determined to have nothing to do with impending conflict. The word "neutrality" is on everybody's lips in tones of approbation.

This great popular demand has been reflected in proposals to restrict the shipment of American goods to warring nations and we hear talk of embargoes and "sanctions", which latter word, in the language of law, means exactly the reverse of its ordinary intendment of "permission" and connotes "penalties attached to a law to enforce it." Sanctions and embargoes are economic coercions which we apply to a nation with which we are at peace but whose actions we do not approve. They are hostile acts short of assault. Active hostility between nations is very close to war. Yet we speak of this kind of thing as "neutrality" legislation.

The truth is that two very distinct and contradictory purposes are being confused under the word *neutrality.* If we can't get them clear, we may be legislating ourselves into exactly the position that we desire to avoid.

One of those purposes is to *prevent or end war between other nations.* The other is to *keep us out of war between other nations.* If we can prevent or end a war between others without getting into it ourselves—fine. But war is a contest of force to the uttermost. The hour of argument is past. Any intervention steps between colliding powers and, in some measure, great or little, itself involves the use of force. That is not "keeping out of war." That is getting into war.

Is that what our people want? Is this almost unanimous popular urge, under the name "neutrality", a demand of our people that we attempt to prevent foreign wars at the risk of engaging in them? It is not.

What our people mean by "neutrality" is that they want to keep out of war—and that is *all* they mean. They put their fingers into the European buzz-saw once and all they got was grief. If they can prevent war by good offices, they would go the limit, but not by taking part.

Nobody is inquiring much about the technicalities of neutrality in interna-

tional law. But in that law "neutrality" means "the condition of a government which refrains from taking part, directly or indirectly, in a war between other powers." That is exactly what our people want. It is high time to ask whether this proposed "neutrality" legislation isn't the reverse of what neutrality means and of what they want.

"Modern" Warfare Begins

Some remarks on modern war may prove to be a little tedious but, in view of this obvious confusion, they are necessary to a proper development of this subject.

Before the days of Napoleon Bonaparte, war was pretty largely a contest between small professional armies. Nations risked their continued existence on the outcome of a sort of glorified gladiatorial contest in which each was represented by minute fractions of their whole potential strength in man-power and supplies.

The force of each belligerent placed itself between its own capitol and the enemy and then—always covering home base—began to move in the direction of the opponent. As the forces approached collision, deft maneuvers like the lunges and ripostes of skilful fencers began in efforts to gain the maximum advantage in ground and use of weapons at the critical moment. After a number of desperate encounters, one force or the other was rendered *hors de combat*, and—to the victors belonged the spoils. It was like playing a game of chess for the stake of national existence rather than a contest to the death between whole nations.

Napoleon having utterly subdued Germany determined to keep her subdued and, therefore, limited the professional army which she might maintain to what he thought was a helpless minimum. He reckoned without a new idea by two gentlemen, named Scharnhorst and Stein. They proceeded to use that small gladiatorial football team not as a martial ornament, but as a high-pressure school of arms. They forced recruits through it as fast as training could be completed. Every time a class graduated, they provided for it complete arms and equipment and sent it back to civil life—with a string to it. At the earliest available moment, they recalled all graduates to the destruction of the first French Empire. As if by magic, a completely trained, organized, and armed force of unsuspected magnitude sprang up on Bonaparte's flank after the retreat from Moscow. It licked him at Leipzig and crushed him at Waterloo.

It was the beginning of a new idea which has completely changed the face of war—the idea later known as the "nation in arms." Its basis was that no nation has a right to risk its existence on the skill of a small group of professional soldiers no matter how able and devoted; that war threatens the very existence of a nation and, therefore, should be risked on nothing less than every ounce of its power in men, material, money, and morale, organized and converted to the purpose of war.

It took a little more than a century for this idea to come to full bloom. Indeed it was not fully realized by all nations until the end of the World War, but it has been universally accepted now, and woe to the modern nation which does not fully understand it in all its implications. It is a terrible thing, but it is an evil force moving on the face of the earth which we must recognize, or perish.

What it really means is that in any major conflict the entire population must suddenly cease to act as individuals, each following a self-appointed course, and must become a vast uni-

tary mechanism composed, in our case, for instance, of 127 million correlated moving parts, all working to the end of directing all our material resources to the single purpose of victory. It means that the engines of modern war are not merely a few great guns on the battle line, but every farm, factory, and unit of production—every dollar and ounce of human energy—ranged in battery to discharge the full of their output, not to the uses of peace, but to hurl its whole flood, converted into forces of destruction, at the enemy.

Of course, the tremendous advance in science, transportation, and industry have had as much to do with producing this condition as has the germination of the original idea of Scharnhorst and Stein.

Regardless of the myth that Xerxes assaulted Greece with a million men, the truth is that up to 50 years ago it would not have been possible to maneuver, transport, and supply an army of a million men on any battlefield. But under modern conditions of transport and communication, whole frontiers can be so heavily manned with many millions of men that no single shock can break them. They have to be battered down by siege. The old fencing warfare of swift movement is greatly changed. In the World War, we saw stalemate along a solid front in Europe from the Mediterranean to the North Sea so heavily manned that it took three years of constant blasting to break it on any front. There is practically no limit to the size of armies which a modern industrial nation can transport and fight. The offensive forces move on, in, and under the earth, sky, and sea and use every form of communication and transportation known to man.

They used to need only cold steel. Now there is no force of death and destruction within the realm of science which is not utilized and required in such bulk and tonnage that war reduces to a contest in quantity production of everything and in withholding the ingredients of production from the enemy.

The chief effort is production of everything to the uttermost and thus —from the most remote farm in the interior to the farthest advance post on the frontier—the whole of its resources and the utmost activity of every individual of a nation is as much a part of its military force as the armies under its battle flags.

Demands of War

Words cannot adequately express to one who has not known and borne the burden of these things the full force of their certain application. Modern war is an impact of civilizations. It is a struggle to the death—not between armies alone, but between economic systems. There is not a product of farm, mine, or factory, not an ounce of human effort, that is not necessary to the conduct of this new war of multiplied and horrible force.

This is the basic fact of the problem, but it has equally significant corollaries. In the first place, no nation produces all that even its life in peace requires, and certainly no nation produces all the indispensables of this kind of war. Take our own case: We have not as yet developed a sufficient production of rubber, tin, platinum, chrome, silk, manganese, nickel, coffee, tea, and sugar—to name only a few of the principal necessities. Italy produces within her borders only a very minor fraction of the requirements of war. England, with her sea lanes closed, would be utterly helpless. She doesn't even produce one third of her necessary breadstuffs. Russia's poten-

tial Army of 12 million men looks formidable on paper. As a matter of fact, until her industries have been developed to a high state of efficiency, without access to some industrial state, she could not put up even a passable continuous offensive.

A second corollary is that in addition to the tremendous wastage and destruction of war itself, soldiers in the field and a population in furious effort consume from three to seven times as much of every common necessity of life—clothing, shoes, food, etc. —as the same individuals consume in peace. The demand for every useful thing for consumption by a nation at war is multiplied in tonnage. Any serious restriction on its sources of supply is as dangerous to it as a hostile army. For this reason the current talk of not letting a belligerent buy from us more than it bought in peace is an expedient more dangerous than its proponents probably realize.

There is another element of this revolution in the art of war which enforces and emphasizes this point. It is that when a whole population becomes a part of its hostile forces for the purposes of modern war, civilian morale and civilian supply become quite as important as the morale and supply of its army and navy. It is now very clear that, even with the assistance of the tremendous forces of America, it was not the assault on the Hindenburg and Siegfried lines which broke down German resistance in 1918. It was the crumbling of "the home front", as Ludendorff called it. Germany's military force was starved into submission, not on the western front, but among the civil population, many leagues behind it. For this reason also any serious constriction by a neutral of a belligerent's channel of civilian supply is as deadly as a declaration of war.

In a slightly different direction, there is another angle to these proposals that we "keep out of war" while we apply economic "sanctions" to great powers in a death-struggle. It is that war has become a matter of world economic strategy quite as important, if not *more* important, than military strategy.

Economic Strategy In War

The use of capital and commerce, as well as arms, to destroy the overseas trade of an enemy with neutrals as well as allies, and especially to coerce neutrals, was a repeated occurrence of the World War. This doesn't need argument because interference with our neutral commerce was the very thing that brought us into the war.

The cutting-off of an indispensable source of supply, not by naval or land blockades, but by buying it up or boycotting it out of availability, is an equally powerful weapon. Neither does that need argument because that is exactly the manner in which we partially prevented the Germans from getting Swedish steel. That was why we bought control of Chilean nitrates, prevented Germany from getting them from neutrals, and held them as a club over the subversive activities of pro-German Spain. Spain needed those nitrates or substitutes for them to live.

Such things often prove to be of primary importance in modern war. The torpedoing by a submarine of a rusty old tramp steamer rolling up from Panama with a cargo of nitrates was sometimes more of a blow than the wiping-out of a whole infantry division on the western front—so wholly were the allies dependent on this essential ingredient of fertilizers, *and of explosives.*

If these stupendous realities about modern war as an ultimate death-strug-

gle between economic systems rather than skilful jousting of trained bands of professional soldiers can be only dimly realized, it will be easier to understand the following unquestionable truth:

All nations, for their defense in war, need and must have from those countries which produce them, and especially from those countries which are their accustomed sources of supply, absolute access to the indispensables of war—which in many instances are the indispensables of peace multiplied. The complete denial of it is a sentence of economic and military death. No endangered nation could ever forgive such a denial by us on the plea that it was "neutrality" and "taking no part" in the assault on their existence. They could only construe it as taking the *determinative* part.

What of Sanctions Against U. S.?

One way to visualize this is to apply it to ourselves. We are suddenly attacked in the Pacific and our whole west coast is menaced. We begin to mobilize and then hear from the world: "As long as you continue to fight you can't have any more rubber, coffee, sugar, tea, tin, or silk or any of the necessary metals on which your industry is dependent." Would we regard the countries who had thus embargoed our supplies as "taking no part, directly or indirectly" in favor either of us or of Japan?

Certainly not. There would be a resentment so bitter and anger so implacable against the nations that had thus put their fingers on our lifelines that our Government would be forced by popular opinion to immediate reprisal. And our case, thus put, gives the least provocative instance that could be imagined among the nations of the world.

During the World War, when shortage of ships, German submarines, magnificent distance, and the war itself, had cut off the accustomed streams of wheat from Australia, the Argentine, and Russia, to England and France, they became absolutely dependent on this nation for their very means of life. If we had cut off that wheat, is it conceivable that even though we protested that we were only practicing this new principle of "neutrality", the Allies would not have regarded us as perhaps the most deadly of their enemies? Would we not have been taking a part indirectly in that war? We would have been underwriting German victory. Should we not have suffered war for it sooner or later?

All that has been said suggests that, although sanctions and embargoes would tend to draw a neutral into war rather than keep her out, yet when practiced by so important a source of the world's supply as we are, they would be a powerful deterrent against war by any of our customers. Properly and unfailingly we have set our face against war as an institution. That is well and we have done it more sincerely and disinterestedly than any other nation.

"Let Us Be Realistic"

We shall retain this high-minded attitude toward war, but we must keep in mind that ours is the idealism of a splendid and happy isolation. It is a great force for good in the world. But we have no ancient enemy within the very sound of our church bells. It cannot be said of us as of France, that no generation ever lived and passed that did not suffer a war on her eastern frontier. We must not be too quick in judging other nations in more straitened and dangerous circumstances than our own—especially in view of our history. It was wonderful for

Woodrow Wilson to be able to lay down the doctrine that "never again would America acquire a foot of territory by war or by forcible annexation." We don't need a foot of tertory *now*. But much of the territory of the United States was acquired by war and by forcible annexation either from resident Indians or from other nations. We acquired territory in that way when we had to have it. While it is well to abjure that method when we don't need more territory, it hardly lies in our mouths to lay down the same rule for others in less fortunate defensive circumstances and especially to enforce that rule by sanctions. It is not neutrality to judge and punish other nations either, one as against another, or all impartially. Our proper policy is to "keep out of war", not to participate in it—no matter how idealistic our purpose. Until the world lives up to treaties and agreements, let us be realistic—no matter how much it may shock our high ideals.

For this is truth. Bottle up a people to the extent of threatening their existence and their growth—any people, of any race, anywhere—and the whole record of the world shows that they will fight. If the history of any people under the sun proves that when the economic burden becomes heavy enough and harsh enough they will resort to arms, it is that of the people of the United States.

One of the most glorious incidents in our history was the Battle of New Orleans because it was a conquest of overwhelming numbers of the finest troops of Europe—the most formidable army that ever invaded these shores—by a little handful of embattled American farmers combed in driblets from the vast and scantily peopled wilderness of the then Southwest, principally Kentucky and Tennessee. How could so small a group so widely scattered be moved to such an heroic enterprise? Because they thought that their homes and their new country was jeopardized by the projected closing of the Port of New Orleans and their only practicable access down the Mississippi to the ocean and outside world hermetically sealed.

Nations will never lightly incur modern war, but only if they think their existence is menaced. Then they will fight—judge them as we may.

Economic boycotts placed by us upon nations in that desperate state of mind—sanctions forceful enough to imperil their defense—are a form of participation in war any way you look at it, and in my opinion, we should engage in it only with the utmost caution, if at all.

"What are Military Supplies?"

Thus far our actual "neutrality" legislation has gone no further than to prohibit shipment of arms and direct munitions — so-called *absolute* contraband—to a belligerent. But the pressure is strong to extend this list to so-called "conditional" contraband. The effort here is to distinguish the kind of shipments that can only help armies from the kind that are necessary to the civilian population. That is where the fundamental error and danger of the whole doctrine lies.

Men have been trying to do that for 300 years. The doctrine that military supplies consigned to a belligerent may be captured on the high seas by its enemy is older than Grotius. And so is the question: "What *are* military supplies?"

When war was a professional tournament between relatively small forces, there was some sense to an attempt to say that military supplies are "that which is necessary to armies as distinguished from supplies for civilians." But now that everything is necessary

to a "nation in arms", it is an impossible distinction.

Speaking as long ago as 1801, the Solicitor General of England insisted that this "distinction of contraband is artificial."

"All articles designed for and conducive to the enemy are inadmissible to be conveyed on the high seas and are, therefore, contraband," he said.

The attempted distinction has met with success diminishing to zero in the World War. If it was "artificial" in 1801, it is notoriously absurd now, when the civilian population is as much a part of the engine of force as the armies beneath the colors. By one device or another, practically everything was treated as contraband in 1917 and 1918.

There is another proposal to distinguish between *essential* and *non-essential* military supplies. That also is impossible. Requirements change with unpredictable swiftness. Such a bucolic product as barbed wire, and so peaceful a thing as cement, did not sound very martial in August, 1914. Suddenly the war took an unexpected shift to trench and position fighting and there were not enough factories in the world to supply the necessitous immediate demand for both, for front-line trenches. Lives by the hundred thousand depended on them. Later, months would go by with no particular demand by the armies and then some great sweeping retreat, or some new development of checker-board defense, would again require re-equipment of a whole front and the "essential" requirement would shift from artillery and explosives to barbed wire and cement. You can't anticipate these changes in today's warfare.

Things that yesterday were of no importance, today become indispensable. Who would have regarded castor oil, discarded cherry pits, peach stones, and by-product coal as contraband of war? Yet, the developing requirements of aircraft, the gas assaults, and changes in the use and application of explosives suddenly made these things so necessary in such unimagined quantities that this Government subsidized the cultivation of tens of thousands of acres of castor beans, employed the very children in the streets and fields to the salvaging of fruit pits from garbage cans, and developed equipment and methods in the chemical industry that had never been necessary before and may never be necessary again.

Taking Sides

Experiments with these sanctions and distinctions have already resulted in absurd contradictions. We seriously considered "sanctions" against Italy on petroleum, which is indispensable for both her armies and her civilian population. We were at peace with Italy. We wouldn't fight her for attacking Ethiopia, but we were going to discipline her. That was certainly not a "neutrality" move to keep us out of war. It was a coercive move frankly participating *on the side of Ethiopia.* In the end, we didn't do that. But we *did* put an embargo on arms. Italy has arms and arms' factories. Ethiopia has neither. That also was not "keeping us out of war." It was, in effect, participating *on the side against Ethiopia.*

Petroleum producers are not very popular, and there was no great outcry here. But apply the same idea to cotton which is, like petroleum, an all-purpose product: What would happen to us and to the victims of the embargo?

Our South was at one time the world's exclusive source of cotton, and still is its principal source. In that great American economic province—practically all of the old Confederacy—

cotton is still king. Fifty-five percent of the crop is normally exported. The economic basis of that whole region is cotton and the exportation of it is its principal support.

Now cotton is necessary to daily life in peace in all parts of the world, but it is also an absolute indispensable in war because gun cotton is an ingredient of most explosives and propellents. If we embargoed cotton against a Europe at war, we would, first of all, ruin our entire South. We would deprive millions of Europeans of a necessity of life and we would impair, if not destroy, the defensive power of every nation which did not have an alternative source of supply.

Human Lives vs. "Rules"

Another trouble about these preconceived rules made in peace-time treaties and statutes—nobody respects them when war comes or even threatens. The World War and the whole post-war history proves that.

A nation at war, its men being killed and its people being starved, isn't going to confine its chance for continued existence to the rules of a game unless compelled by force or fear of force. None ever has. None ever will.

In the old romantic days, when war was a kind of glorified professional football game in which contesting nations sat cheering in the bleachers while their trained teams battled it out on a comparatively small gridiron, rules worked a little better. The colonel of one "gentleman's" regiment could salute the colonel of an enemy guard regiment with a flourish of his sword, his men standing at attention to receive the first onslaught, and say, "Gentlemen of the Guard, be pleased to fire first."

But that day is gone. No part of the population is in the bleachers. All are fighting in one way or another, and all are inflamed by systematized propaganda and by the fever of danger.

There are few rules and little chivalry in the mass madness of modern war. We lost a lot of men in personal encounter in the early months of the Great War because Americans didn't understand about eye-gouging, groin-kneeing, backstabbing and killing prisoners and wounded. We learned later that we were fighting a force to whom victory was everything and chivalry was a weakness. We played that game as well as any when we learned that there were no other rules. In this new era of legalized murder in mass, there are no laws of "civilized warfare" (except on paper) and whoever complies with those may lose the victory, especially when those rules are artificial and depart from realism—like the distinction between absolute and conditional contraband.

For all the reasons I have stated, I fear we are off on the wrong foot on this confused idea of "neutrality" with sanctions, boycotts, and embargoes as a means of "keeping us out of war", because:

(a) It doesn't keep us out of war. It might put us into war.
(b) It is not a policy of neutrality. It is a policy of participation and of telling other nations when they can and can't fight.
(c) It therefore does not meet the real wish of our people. Under a specious guise it frustrates their desire to keep out of war.
(d) It is impracticable.

"Refuse to Finance Either Side"

What are we going to do about it? A new conflict between great powers in Europe if not probable is at least momentarily threatening and is entirely possible. Our people are sanely, abso-

lutely, and almost unanimously determined not to get mixed up in it. The sanctions-embargo-boycott policy is wrong. Is there a better one?

It seems to me that there is, if only we can keep our purposes and our definitions and our heads clear, and our outlook always realistic.

In the first place, money and credit are on a very different basis than is merchandise. No nation is a continuing source of credit to another. When you sell merchandise your interest ends. When you loan money it has only begun. The moment a neutral begins to loan money or advance credit to a belligerent, it has given a hostage to fortune—"where your treasure is, there will your heart be also." This country should absolutely refuse to finance either side in a foreign war publicly or privately—either by loans or advance of credit, no matter what be the pledge or collateral and no matter how persuasive the appeal. For whatever we sell, we should have only one formula: "Cash on the barrel-head." This is the first and great commandment for our peace, our prosperity, and our unassailable neutrality.

Our legislation already provides for this, and we should never alter it.

"Refuse to Sell Lethal Weapons"

Next comes the question of our refusal to sell munitions of war to *anybody*. That raises all the troublesome problems about absolute and conditional contraband that have vexed the world for a century. It comes under every criticism of misguided and mistaken "neutrality" which we have considered. It is not a means for "keeping us out of war." It is an attempted contribution to world peace and an effort to prevent or minimize war between other nations. It is *not* neutrality.

Nevertheless, if we want to go somewhere down this road, clearly recognizing the purpose and probable effect, there is one distinction we *can* make and keep quite clear. It is not "munitions of war" or "absolute contraband" or "essential war supplies." That distinction for reasons here developed simply can't be made.

But we can (we have attempted it already) refuse to sell "lethal weapons, ammunition for the same or manufactured parts thereof." The moment we attempt to go beyond that we are lost in a haze of uncertainty. We could say "manufactured parts" of a weapon but we could not say "ingredients of ammunition" because that would include cotton, coke, fertilizers, and many chemicals—useful alike in peace and war. Even airplanes are in this class and, by failing to recognize this, we have already greatly impaired our export market for commercial airplanes in South America.

There is a good deal of unnecessarily extreme thinking about this whole subject growing out of recent publicity of the bad methods of European munition-makers. They are properly condemned but let's not further injure our languishing foreign trade by superheated restrictions on such products as aircraft and locomotives.

Even this embargo on lethal weapons does not tend to keep us out of war—it is our contribution to the effort to compel peace on the earth. Our real efforts to keep out of war all lie in directions already discussed.

Refusal of loans and finance is most important to our real purpose. Embargoes on lethal weapons is a humanitarian purpose having little to do with our main purpose. But there is a third and overwhelming consideration that, to my mind, goes to the root of the whole matter.

It is not the goods that we have bought or sold that have endangered our peace. It is something about the

sea that has drawn us into every foreign war we ever had, except the war with Mexico. The real question is not whether or how we shall *sell* goods. It is whether and how we shall *ship* goods on the ocean and our *right* to *ship* goods including the travel of our citizens on the high seas. The real meat of the whole matter is here and not in the *sale* of goods at all.

Up to the time of the World War, our doctrine was "freedom of the seas." We conceded that an enemy merchantman could be seized whenever found but not sunk without warning and without taking care of passengers and crew. We insisted that neutral ships bearing neutral goods had a right to go anywhere with goods consigned to anybody, subject to exceptions:

(a) Where a port had been actually blockaded, as Union vessels blockaded Confederate ports, if neutral ships should attempt to run such a blockade they could be sunk. But we insisted that no nation could fence off with imaginary lines any section of the seas with a paper blockade and say that neutral ships found anywhere in that section were there at their peril and could be sunk on sight.

(b) We admitted the right of a belligerent ship to stop neutral vessels on the high seas and search them for contraband of war and, if they carried it, they could be seized and taken to a prize court—but not sunk except in certain special circumstances.

Thus far the doctrine seems quite simple, but under "b" a host of vexing questions arose. What *was* contraband of war? As has been already shown, in the World War practically everything consigned to a belligerent was held to be contraband by the enemy. But the real trouble came in respect of goods *consigned* to a neutral but which the seizing naval vessel complained was really ultimately *destined* to an enemy.

Thus far we have been talking about vessels. What about our goods and passengers aboard merchant vessels of a belligerent or a neutral?

We insisted that we had a right, in respect of them, to have the rules of international law observed toward the vessel on which they sailed whether American, belligerent, or neutral.

Those were the principles for which we said we would fight, and in respect of which Woodrow Wilson also said: "To forbid our people to exercise their rights for fear we might be called upon to vindicate them would be a terrible humiliation indeed. It would be an implicit, all but an explicit, acquiescence of the violation of the rights of mankind everywhere * * * what we are contending for is the very essence of the needs that have made America a sovereign nation."

Those principles were knocked into a cocked hat by both belligerents. So far as technical legality is concerned, Great Britain violated them much more flagrantly, continuously, and impudently than Germany ever did. She violated our mails. She called whatever she desired, and to whomsoever consigned, contraband of war and—insolence of insolences—she blockaded the Port of New York. No American ship could safely sail and no American cargo be safely shipped without first obtaining a clearance from the British Consul General in New York.

Germany attempted what Napoleon Bonaparte had tried a century before. She blocked off wide areas of the high seas and warned that ships of any nation found therein were subject to

be sunk. She asserted the right to sink at sight and without search or seizure, not only the merchant ships of belligerents, but the ships of neutrals in the interdicted zones. The only difference between her assaults on our sovereignty, and those of England were that she illegally destroyed the lives of our citizens, while Great Britain illegally destroyed only their property and their rights.

The lesson there is that when great nations are in an economic death-struggle, they will respect no asserted right of neutrals on the high seas which in any way threaten the victory of their arms or which cannot be asserted and adequately defended by the neutral. We might as well recognize this truth realistically as an outgrowth of the development of the art of modern war.

Our present solution of this problem of keeping out of war, or of "neutrality" might still be the ancient one—freedom of the seas. But unless we are willing to impose it by force, it is just plain silly to put any reliance upon it, and if we say that we will fight for it, we can be 100% certain that instead of keeping us out of war, it is the surest, quickest and most inevitable way of getting us into war. We have fought two wars for it.

". . . Come and Get It"

What then remains for us to do? As far as *goods* are concerned, the solution seems simple: "We will sell to any belligerent anything except lethal weapons, but the terms are *"cash on the barrel-head and come and get it."* Any American who sells goods on any other terms to a belligerent, whether directly consigned to him, or consigned to a neutral and destined to him, does so at his peril. The flag will not protect such transactions.

That would not much interfere with our trade because at such times requirements are necessitous and belligerents buy here because they must.

With that should go a declaration that Americans traveling or shipping goods to anybody—belligerent or neutral—on merchantmen of a belligerent do so at their peril. That would relieve us of responsibility of such incidents as the Lusitania and of all responsibility for maintaining the interest of one belligerent against another.

All this leaves open the great difficulty of protecting American merchantmen freighting to neutrals, American goods on neutral ships destined to neutral customers, and American citizens traveling on neutral vessels. There remains the risk of embroilment over some affront by a belligerent to another neutral carrying our citizens and property.

I think we cannot escape this danger unless we are ready to concede that neutrals, including ourselves, have no rights at all on the ocean. If a neutral ship is sunk in violation of international law and an American citizen is killed or injured, or if an American ship or citizen thereon is illegally interfered with, we have an obligation. That obligation may lead us into war.

We may as well face the fact also that during any major war the "international law" which we are thus to vindicate will be what we ourselves assert and make by force or threat of force. Nothing written in treaties and declarations or expounded by jurists seems to be worth much more than the paper on which it is written.

It is a commentary, sad but true, that international agreements are almost worth nothing. Since Belgium was invaded in violation of "a scrap of paper", the nations have regarded treaties as matters of expediency. Every nation except Finland abrogated the debt agreements with us without so much as the bat of an eye toward what was

once called National Honor. The Washington, Versailles, Four-Power, Nine-Power and Kellogg-Briand treaties are more honored in the breach than the observance. Why should we make or rely on new concordats with defaulters. The scratch of the pen signing new treaties is drowned in the sound of the tearing-up of the parchments of the old. It is tragic but it is a lesson we should learn. We can rely on the strength of our own right arm and very little else under the shining sky, until the sanctity of agreements is certain.

Keep Silent On Our Plans

Finally, we cannot now determine in ultimate detail the rules in this regard which we shall be willing to fight to vindicate because we do not know the circumstance of any future war or what other nations may do. In general, war will start with lip service to the existing shaky doctrines of international law—they would be the extreme protection that neutrals can expect. We may be willing to make further sacrifices than have been suggested here, but it would be unwise to declare them now. It would do no good and would leave no room whatever for trading and diplomacy. It would be like the youthful U. S. Grant's famous frankness to a horse-trader: "My father said to offer you $100 for this horse but if you wouldn't take it, to go as high as $150."

If we refuse loans or credit to belligerents, abjure the sale of lethal weapons, require that all sales to belligerents be made c.i.f. our ports and withdraw the protection of the flag from shipments and passage on belligerent vessels, we shall have removed 90% of the potential field in which the danger of our embroilment lies.

Such, I believe should be our policy, but I think that further legislation, or even the *announcement* of that policy, or any attempt to go much further into detail, is most unwise.

War is now a matter of world economic strategy. No man can foresee its implications. Their bearing upon us is sure to be vital. We should constantly study the changing scene and keep open to ourselves the widest possible field of action.

The general staffs of all modern nations maintain war plans in very complete detail anticipating conflict with every possible enemy or combination of enemies. Those plans are revised yearly and even daily when some new event changes the circumstances of their potential application. It would be perfectly absurd for the Congress to call on the War College for its current plan in the event of the appearance of an enemy in both the Atlantic and Pacific oceans, and then enact and announce that plan as a statute. For a similar reason, it would be exactly as absurd for the Congress now to draw up a plan to govern the whole of our attitude to meet the economic strategy of any two great warring nations as it might affect us.

Until this world recovers from its present state of madness, it seems to me that the thing for us to do is to arrive at our policy in general terms, leave legislation as it is, keep our plans to ourselves, study them constantly, and leave the enactment and announcement of our final decision until the dreaded event arrives.

PROPAGANDA ON THE AIR

—the international problem of radio censorship—

BY FRANK C. HANIGHEN

IT'S getting so that you can't believe what you hear on the radio. By that I don't mean political speeches, "addresses to the nation", etc. If President Roosevelt broadcasts on the subject of the New Deal and Governor Landon counterblasts, you know what to expect. Realizing that these speeches are candidly political and partisan, you can listen to both, sift the two opposing points of view and make up your mind. But how about the "unofficial observers", "Washington Bedlams", and those expensive hook-ups from London, Rome or Geneva? Almost any night, desirous of informing yourself on current affairs, you may fix the knob on one of these stations, sit back and drink in what, camouflaged as "authoritative news", may be pure propaganda.

Take the Ethiopian controversy. In October 1935, Mr. Edgar Ansel Mowrer, correspondent in Geneva of an American newspaper, thought it would be a good idea to arrange a radio debate from that forum of international controversy and let the American public in on both sides of the battle, via the Columbia Broadcasting Company. Accordingly, on October 10, he took the "mike" and said, "I am sure you would all like to hear Mr. Tecla Hawariate."

The head of the Abyssinian delegation thereupon stepped up and made an appeal, which was none the less impressive for its broken English. It concluded with: "I thank you all for the great interest you are taking in the affairs of my poor country."

The next night Baron Aloisi, Mussolini's mouthpiece in the League of Nations, was ready to present his side of the case. But he and Mr. Mowrer had reckoned without the British Foreign Office and the British Broadcasting Company. It happens that these transatlantic broadcasts are relayed from the British station at Rugby, one of the most powerful in the world, and well-called the "world's switchboard."

At six o'clock the authorities at Rugby were informed by the Government that their station could not be used to broadcast the Italian defense. According to the London *Daily Express,* the Foreign Office took the view that, while the British Government had no objection to Italian propaganda of any kind, it was not justified, owing to the present state of affairs, in allowing British facilities to be placed at the Italian's disposal.

Of course, the British Government had no objection to Mr. Hawariate telling America his views, which at the time, incidentally, were those of the British. And they were anxious to prevent America, which could spoil their sanctions policy, from hearing and being influenced by the other side.

Mr. Mowrer probably was not at all surprised. Like most of the American correspondents abroad, he must have been aware of the extent to which the British color world news. It is the same old story, amply demonstrated during the World War by the British propaganda system working through the international cable "slot" in Fleet Street, which is truly "the news switchboard of the world." The significant thing is that the Ethiopian incident marked the entrance of this system into radio and gave America a foretaste of what it can expect during a future war.

Boomerang

The British received a dose of their own medicine less than a week later. "Washington Merry-go-round", a feature sponsored by a watch company with the introduction, "We present the nation's most acute political observers giving the news behind the news," spread an air attack on Britain's policy in the Italo-Abyssinian dispute as follows:

"Britain is now claiming the discovery of an Italian plot within the Egyptian Government as a reason for not moving the fleet. Summed up, the situation is due to Britain's jealousy of Italy's colonial aspirations, Britain having her own designs on Abyssinia."

And then, with reference to the eleven million Britons who supported the League of Nations Union in England:

"These boys have no influence on Britain's policy. The boys who dictate to Britain are the Big Navy boys, the all-red boys, the control-India boys. These boys insist that there shall be no competition by other powers in Africa or Suez."

However disgruntled the British Government may have been to note that Americans were getting this view of her activities, she had reason to worry about its influence on Canada. The Montreal correspondent of the *Daily Telegraph* wired London:

"These broadcasts by highly paid news commentators are penetrating Canada with noticeably bad effect."

Was this "bad effect" working a month later when Canada objected to joining oil sanctions?

Now you may think that the "Washington Merry-go-round" commentator was obscuring the significance of news by getting "behind it", or you may have found M. Hawariate's address pure bunkum. In any case you will admit that your sovereign right to have an unbiased opinion has been subjected on various occasions to attacks, propaganda and otherwise.

Let us look at a land where "unofficial observers" are unknown and where the radio problem is simplified. Germany is *par excellence* the land of Government radio regulation.

German Regulation

All German radio transmitters are owned and operated by the German Post Office. Their programs are supplied by the *Reichs-Rundfunk-Gesellschaft* (The German Broadcasting Company), which is owned by the Government. This data will mean more to you if you realize that the man who controls all this is none other than that master of propaganda, Dr. Goebbels. He holds the power of appointments and dismissals and this goes for all the directors of the R.R.G. as well as the *Intendenten,* or directors of the regional stations, who are responsible for the non-political programs of each individual station. The political programs, of course, are controlled by Berlin and Dr. Goebbels.

Nor is this the whole story of German thoroughness in radio matters. Having organized broadcasting, the

Germans proceeded to organize listening. The Nazi Party machine built up this reception network:

Each of the 39 party *Gaue* (regions) has a *Gaufunkwart* or district radio officer. Beneath these are *Kerisfunkwarte*, in each of the 1,000 districts of Germany, and *Funkwarte* in every larger locality. When an important speech is to be given and *Gemeinschaftsempfang* (community reception) is decreed, these radio lieutenants get busy and see that every factory, public square and school is fitted with receivers and amplifiers. Thus it is estimated, that about three quarters of the German public listen in on these occasions.

The picture of Germany when Hitler, Goebbels, Goering or some other important Nazi makes a speech on the radio is impressive. Shopkeepers pull down their shutters, traffic becomes lighter, factory workmen assemble in halls or put down tools at their machines (if the amplifier is in their workshop), and in the large squares immense crowds gather to hear what is nothing less than propaganda. They have to like it, for they get nothing else.

And the dreadful proof that they do like it may be seen from the number of licenses issued to Germans to buy radio sets. These totaled 6,142,921 as of January 1, 1935—an increase of 1,090,314 or 21% over the figure for January 1, 1934. In pre-Hitler days the greatest annual increase was 633,278 in 1927. To emphasize this extraordinary case of radio popularity, it should be added that German radio owners pay one of the highest tax fees in Europe —two marks a month or 24 marks a year (about $10 at the present rate of exchange).

This is the depressing picture, then, of Government broadcasts and dissemination of news in one of the most important countries in Europe. In no other country is radio diffusion so efficiently organized to keep people from weighing the pros and cons.

Yet the system has not been wholly successful.

The opposition, in spite of concentration camps and exile, were determined to present their case on the air to their Nazi compatriots. Thus the daring attempt to break this closed propaganda circuit and the subsequent strange "radio murder" of Herr Rudolf Wormys on the night of January 24, 1935.

Opposition on the Air

Herr Wormys had been technical manager of the great West German broadcasting station at Muehlacker. But after the purge of June 30, 1934, he was placed in a concentration camp, from which he subsequently escaped to Czechoslovakia. In Prague he got in touch with other refugees from the purge and joined the Black Front, a dissident group of Nazis headed by Otto Strasser. Soon thereafter he took up his abode in a lonely country inn near Pribram, not far from the German border. In his room he set up a small but powerful transmitting set and soon was broadcasting violent anti-Nazi propaganda, relating instances of Nazi brutality to the Germans of south Prussia and Saxony and promising them liberation should they unite to overthrow Hitler.

He camouflaged his geographical position by announcing, "This is the Berlin Broadcasting Station on a wave-length of 48 meters." The program usually was composed of one of his own tirades, a speech of his chief, Otto Strasser, recorded for the phonograph, and in conclusion the Toreador March from "Carmen."

For months he was successful and

Nazi officials vainly searched for the broadcasting station within Germany. (Strasser boasted that the programs were being sent somewhere in Saxony from members of his Black Front there.) But the Gestapo were equal to the task. It is said that one of Strasser's aids, Herr Hildebrandt, who was lured into Germany some months before by an attractive young spy, Fraulein Edith Karlsbach, was made to confess the location of the clandestine station. Soon thereafter, three jolly young skiers, two men and Fraulein Karlsbach, crossed the border from Germany near Pribram and put up at the inn. After several weeks' stay, they overcame Herr Wormys' suspicions and became quite friendly with him. On the night of January 24, the inn proprietor heard the trio and Herr Wormys enter late. The next morning the radio announcer's body was found riddled with bullets in his room. The trio, it was found, had crossed back into Germany during the night.

Tuning in on Russia

But you can't keep the "other side" off a free element like the air, and Germany continued to have her troubles after the murder of Herr Wormys. Almost nightly programs in the German language float out from Russian soil, painting attractive pictures of Soviet conditions and denouncing fascism. The German Government has sternly admonished its six million radio fans not to listen to this. But that they fail to heed their Government is shown by frequent arrests for listening to Soviet broadcasts.

As a matter of fact, the Soviet Union with much the same iron control over broadcasting as Germany, encountered the same problem. For three days late last July, listeners in western Russia heard a mysterious voice calling over the air, "God Save the Czar!" This was followed by the old Russian national anthem and the rousing appeal, "We demand the death of Stalin and the return of our beloved Imperial Family."

The Soviet Government hastily started an investigation which was made all the more difficult because the station changed its location every night. (Radio detectors easily discover locations of illegal stations if the transmitter is stationary.) Then there was silence. Did the Gaypayoo get their man?

Radio in a Democracy

But these are dictatorships, you may say. Under a democracy, surely, there can exist wise control which will permit both sides of domestic questions to be heard. Well, let us look at Czechoslovakia, a little island of democracy in the midst of a sea of fascist dictatorships. There the various political parties (27 in number) are too numerous for each to be accorded radio time; there are no political debates on the air. But the State broadcasting station at Prague gives such political news from time to time as it sees fit. "As it sees fit" is the catch.

In the eastern end of Czechoslovakia are some half million Hungarians who naturally feel a sentimental attachment to their former country. To preserve these racial feelings, Budapest sends out comforting broadcasts in Hungarian telling her lost children that some day they will return to the mother country, if only they agitate strongly enough for the revision of the Treaty of Trianon, which handed them over to Czechoslovakia. Prague, furious (because it does not consider the complaints of this minority "fit" to be broadcast from the Government station), installed a more powerful trans-

mitter to drown out this subversive propaganda from Hungary. Budapest retorted by increasing her own broadcasting power.

So even under democracies where "wise" government regulation prevails, there is always some problem which the government wants to slur over and which minorities always succeed, by some method, in discussing on the air. The truth will out on the radio, in spite of radio dictatorships and democratic government regulation.

No Frontiers on the Air

Hungary turned from her assault on Czechoslovakia to Jugoslavia, for in that country, too, there is a Hungarian minority. Belgrade, as a consequence of this "strafing" from Budapest, built a powerful new station which, according to the official statement, was designed to "penetrate everywhere where southern Slavs live and drown out Hungarian revisionist propaganda," and (with a glance at the great stations in Rome and Milan), "propaganda from across the Adriatic."

Germany, for her part, had been at this game for some time. In 1933 her Munich station attacked the Dollfuss Government, addressing Tyrolian peasants, perhaps a little thoughtlessly, at 10 p. m. when these husbandmen usually are fast asleep. Vienna, replied by making reception from Munich over most of Austria impossible by "jamming." Then it concluded its nightly bulletins with gloomy comments on Nazi affairs in Germany.

Again, in the case of Memel, the Reich engaged in radio combat with Lithuania, for the stations of the latter were flooding this territory inhabited by Germans with violent anti-Nazi propaganda. Germany's Königsberg station took care of this so well that German members of the Memel diet withdrew their support of the Government and provoked a serious governmental crisis.

Then the Irish

The Irish jumped into the fray last fall at a football game in Croke Park, Dublin, attended by no less a personage than President De Valera. Several members of the Irish Republican Army (violently opposed to the Government) entered the radio announcer's box, knocked out that startled official after a brief fight, and announced to the Irish radio audience, already mystified by sounds of the scuffle: "We want to draw the attention of the Irish people by broadcast to the disgraceful way the Free State Government treats Irish Republican prisoners in Mountjoy prison."

England had a spat with Poland, because the British Broadcasting Company's commentator on foreign affairs (Mr. Voigt) asserted that Poland was keeping an army out of all proportion to the needs of peace. Germany, too, protested against remarks by Mr. Voigt to the effect that Germany was rearming in violation of the Versailles Treaty (this was before Hitler threw off the mask).

Next, Belgium's ambassador in Rome had to call on the Italian Government to take exception to some allusions which the official political Fascist broadcaster had made in French. Referring to the alleged killing of women and children in Abyssinia by the Italian air bombardment, the announcer had denied such reports, adding, "One knows already that the stories of atrocities committed in Belgium against women and children by the Germans during the war have been untrue legends forged in order to discredit Germany."

Spain protested because Moscow

blanketed the big Barcelona station area with communist propaganda. A mysterious fire occurred in the Portuguese Government station in Lisbon. An equally murky attempt was made to disable the French Strasbourg station used to counteract Nazi propaganda in Alsace-Lorraine. Italy, under date of October 11, 1935, ordered her people not to listen to foreign broadcasts. And so on.

European Listeners

Now all this sounds like a cat chorus, which promotes little but international bad manners. Europe cannot afford to have such chaos on her ether waves, for Europe is now radio-conscious. While use of the radio is not as popular nor as widespread as in the United States, it has increased rapidly in the last few years. Many broadcasting stations have been built and a number of low-priced sets have placed radios within the reach of many classes of the population. Latest available figures on radio receiving sets in various European countries are as follows:

Germany	6,142,921
United Kingdom	6,124,000
France	1,830,000
Sweden	666,368
Italy	400,000

Germany's "People's Set" (manufactured under direction of the Government in order to enable those in moderate circumstances to buy) retails for about $32. The cheapest set in France retails for about $14; England's, for about $10.

Sweden has 28 broadcasting stations; France, 27; Germany, 26; United Kingdom, 16; Italy, 10.

With such a large proportion of the various nationalities listening-in, there naturally arose a demand to bring some order out of this extraordinary confusion in the air. Since government regulation obviously had not provided the answer, international regulation was suggested.

Radio Non-Aggression

A series of radio non-aggression pacts have been concluded during the past two years among Austria, Poland, Czechoslovakia and Denmark. These countries are pledged to observe the "spirit of cooperation and good understanding in political, religious, economic, intellectual and artistic spheres." But the 1933 international wireless convention in London, while getting an accord on "jamming", was unable to obtain the approval of a majority of countries for a general political non-aggression pact. It was all too obviously a case of "I'll not tell on you, if you'll not tell on me."

It was up to the League of Nations, everyone agreed. The League has a radio station, and it was inevitable during the recent Italo-Abyssinian embroglio that radio sanctions against Italy should be suggested. Since Italy sent out her propaganda in foreign tongues, the Paris paper *L'Oeuvre* asked, Why should not the League send a broadcast in Italian condemning the Italian Government? While no steps have been taken in this direction and probably will not be taken, for much the same reasons as underlie the failure of oil sanctions, the possibility looms.

It looms as a menace, too, although frenzied advocates of the League undoubtedly welcome it. For the large body of opinion that deems the League something less than a sepulcher is distinctly nervous about such a prospect. Imagine a League with radio powers so omnipotent that it could "jam" off dissenting opinions and dominate the air with its own ukases. However well-intended the decisions of the

League might be, certain great Powers which, according to the enemies of the League, deem it a veritable "thieves' kitchen", might be successful in preventing the "truth" from appearing on the radio.

And the truth does often appear from the radio mouths of international "villains" as at least one of the Italian official broadcasts showed. In spite of a conspiracy of silence in the international press, the Italian propaganda ministry revealed the important fact that while Great Britain was assailing Italy for her war on a small nation, England herself was at the same time attacking a small nation, the Independent State of the Mohmands on the northwest frontier of India. No, obviously international control via the League or any other body is just as noxious as the *Reichs-Rundfunk-Gesellschaft.*

Educating Listeners

The great power of radio propaganda, particularly in its international aspects, has thus been conclusively demonstrated. It is unlikely that any nation will abdicate its right to use this arm or consent to any drastic international control. Nor in such democracies as France, England, and America will government supervision of broadcasting be able to move along lines followed in Germany and Russia. In such a situation, the problem is handed back directly to the person to whom it rightly belongs, the listener. It is up to the individual listener to fight his way to a balanced opinion on current affairs from the material given him, however conflicting, on the radio. He deserves no more protection in this field than he does in his reading of books and periodicals. In the last analysis, radio news dissemination is subject to the sound principles of free speech and a free press.

If the American listener is sprayed with such one-sided arguments as Tecla Hawariate's appeal for Ethiopia, then the "Washington Merry-go-round" can provide the other side.

This, of course, should make the listener aware of his responsibilities and resolved to sift the political news and speeches which thus variously work on his emotions, prejudices and ignorance. Hence, he will have to be alert in appraising the value and significance of the various broadcasts by identifying the stations and station announcements with the political color of the views they propagate.

Even if the voice has no trace of a foreign accent, the signature will give the show away. Thus foreign broadcasts can be checked. Listeners should insist that news broadcasts give the date-line of items, together with the news agencies from which they emanate. In this way, an intelligent listener can discount national coloring in such reports as come from Reuters (British), Rengo (Japanese), Havas (French), and so on.

As to news dopesters, he will have to study their prejudices and hobbies. It is even conceivable that critics of news commentators will arise to interpret their interpretations. Indeed, a pyramid of spoken literature on the air may come to pass which will make the former brief broadcasts seem over-simplified and crude. Whatever may appear, however, it is certain the day of open-mouthed and lazy listening is over. For ether vigilance is the price of a balanced opinion.

WOULDN'T PAUL REVERE BE SURPRISED?

—Detroit News

LOOKS AS IF GRANDPA OVERESTIMATED HIS STRENGTH

—Des Moines Register and Tribune

MARCHING THROUGH GEORGIA

—New York World-Telegram

Ideas, Panaceas, Pressure—their roles in the coming elections

POLITICAL GROUND-SWELL

BY WALLACE S. SAYRE

NO PRESIDENTIAL campaign in our history has been preceded by such a sustained ground-swell of agitation and pressure as represented this year by the Townsend Plan, Father Coughlin's National Union for Social Justice, Sinclair's EPIC, the Utopian Society, the Share-the-Wealth Society, the American Liberty League, and the Southern Committee to Uphold the Constitution.

We have seen such movements before, but never in such great number nor with such power. The Anti-Saloon League showed the way, but it was not accompanied by any great number of imitators. We have grown accustomed to the power of the American Legion. We saw Technocracy flash to prominence and as quickly disappear. But we have not seen any such "depression crop" as we now have with us.

Their significance is in their evidence of unrest with the present order. Politically, they reveal the breaking-up of traditional loyalties under the pressure of social and economic factors which drive them to agitation and panaceas. These mass pressure movements absorb the disturbed emotions which, if sustained, lead to fundamental political change, even to revolution.

The movements rise in greatest number and in greatest strength where the malaise of the social system is most pronounced: in southern California to which the most remarkable migration of the twentieth century brought an aged population to sit in the sun in their last years, but to whom the depression brought a bitter insecurity; in the Northeastern cities, centers of the rootless "new immigration", bearing the brunt of severe unemployment; and in the colonial areas of the South where a hapless and impoverished population responded to the glamour of the late Huey Long's sound trucks and his "Share-the-Wealth" program.

These movements are of mushroom growth, sweeping the responsive areas of the country as does a radio song-hit—frequently of but little longer life. Their rapid growth, the panacea vagueness of their program, the prima donna characteristics of their leaders —all prevent the carefully built, permanent organization, the wide and strategically selected program, the patient distribution or balance of power which give life to our parties.

These mass movements are, in their size and in their rapid growth, the products of modern communications. (Witness Father Coughlin's and Huey Long's use of the radio; the use of telegrams by Coughlin and Townsend to influence Congress.) Their strength consequently is most effective in a sudden overwhelming attack upon an insecurely placed political institution such as Congress.

They tend to be a one-man show to

an extent which the continental size and complexity of the United States do not permit in actual power situations. The party system always patiently syndicates power, and though temporarily it may permit a War President or a Depression President to exercise and enjoy what appears to be dictatorial power and prestige, there is careful shoring beneath the superstructure. The mass pressure movement frequently grows so rapidly and its leaders are so unused to power that they do not possess the institutional strength of our parties and our special-interest pressure groups. None of their leaders, for instance, with the pointed exceptions of Huey Long and Upton Sinclair, has recognized that political leaders cannot remain mysterious and aloof, but must show themselves to the public, accepting responsibility.

Townsend Plan

The strongest pressure movement is the Townsend Old-Age Revolving Pension Plan. Founded in January 1934 by Dr. Francis Everett Townsend, 65-year-old one-time health assistant in the Long Beach, California, Health Department, and Robert Earl Clements, 41-year-old "co-founder" and one-time real estate dealer in the same city, the movement has had such an amazing growth that conservative observers estimate it to have three million club members and a following of ten million, while the founders claim twenty-five million followers and five million club members. This is undoubtedly the most rapid and remarkable accumulation of strength in American political history. Yet it is less indicative of mass cupidity and credulity than of the restless dissatisfaction of the people with traditional loyalties and conventional political solutions. It is true that the plan drips with sentimentality, that its leaders' statements are reminiscent of the piety and evangelicism of the prohibition crusade, and that it has a transparent simplicity which invites skepticism from the informed. But to the careful observer it is also clear that the plan has a persuasive logic for the layman.

Give two hundred dollars a month to each person of good character who is more than sixty years old, requiring that the whole amount be spent within thirty days. The vast amount of money thus placed in circulation, the layman is made to understand, will restore the purchasing power of the nation and stimulate an unprecedented business revival. The aged will be taken off the employment rolls, thus increasing opportunities for youth seeking employment. And every person will be able to look forward to that security in old age which the machine age has so completely destroyed.

It is not difficult to understand why so attractive and compelling a plan was described in these words by a follower in the *Townsend Weekly:* "We believe Dr. Townsend's perception of such an idea is not an accident but rather an answer to the prayers of tens of millions of organized children of God lost in a wilderness of doubt."

Two difficulties have beset the Townsend plan since it mushroomed into national prominence. In the first place, it was necessary to draft a tax plan to produce the estimated twenty-four billion dollars required to pay the pensions. This central problem was at first described by the founders as of minor importance since, they insisted, the results of the plan would be so marked in national prosperity that the tax burden could be lightly dismissed. When it became necessary, at the opening of the Seventy-fourth Congress,

to draft a specific proposal, the founders, together with Congressman John Steven McGroarty, poet laureate of California and congressional leader for the Townsend plan, agreed upon a two percent transactions tax—which is simply a pyramided sales tax—as their revenue program. Representative McGroarty conceded that such a tax might fail to produce twenty-four billion dollars by providing that the amount of the monthly pension shall be "not to exceed two hundred dollars." His bill has been continuously bombarded from two sides. Economists, labor groups, and publicists denounce the sales tax as an intolerable levy upon those least able to pay, and certain to lead to price inflation and the further impoverishment of ninety percent of the population for the benefit of ten percent. Enthusiastic Townsendites, on the other hand, decry the abandonment of the much-heralded two hundred dollars monthly pension.

Faced with this dilemma, Dr. Townsend has revealed considerable flexibility of mind. He is not, he says, irrevocably wedded to the transaction tax, and he has lately smiled upon the suggestion of a prominent lieutenant, Sheridan Downey, that a bond issue be proposed as a temporary substitute for taxes. But Clements and Representative McGroarty have remained firm in their insistence upon the transactions tax, and the resignation of Clements, as well as the estrangement of McGroarty, is traceable to this difference. As a result, momentum for the plan in Congress has subsided.

Political tactics, on which Townsend leaders have been unable to agree, provide the second difficulty. As the movement spread outward from California into Oregon, Washington, Idaho and eastward as far as Chicago, leaders were faced with the problem of relationship with the party system. Mr. Clements has maintained that Wayne B. Wheeler's Anti-Saloon League methods of endorsing favorable candidates was the most effective. Dr. Townsend has at times agreed with Clements, at other times he has threatened a thirty-party movement, and on still other occasions he has expressed his preference for William E. Borah as the most "sympathetic" candidate for the Presidency. Representative McGroarty and others have expressed the view that the Democratic Party is the logical choice for Townsendites, pointing to the Social Security Act as proof of Democratic sympathy with Townsend principles. Behind these differences on political strategy, as behind the struggle over financing, there has been waged a struggle for pre-eminence in the organization between Mr. Clements and Dr. Townsend, with Representative McGroarty eventually drawn in as a supporter of the former. Their withdrawal from the movement has made both its organization and its political future uncertain, particularly since the recent investigations by the House committee reveal a sharp decline in membership dues in the first three months of 1936.

Despite these internal dissensions, however, the Townsend movement has important political strength. Its greatest power is on the West Coast and in the Rocky Mountain States. This region is the Achilles' heel of the Republican Party in the 1936 contest, and Townsend endorsements will be bid in at high figures by anxious Republican candidates for congressional and State offices. The indirect endorsement of Borah by Dr. Townsend will tend at first to emphasize this trend, but it is doubtful whether the rank-and-file Townsendites can be held within the Republican Party, for even if Senator

Borah were to write its platform, the eastern high command may be expected to name an anti-Townsend nominee. Mr. Clements, Representative McGroarty, Mr. Downey and others will be exerting every effort to effect a shift of their followers to Democratic ranks. The result is most likely to be a divided and somewhat confused Townsend front in the Presidential contest. But its return to influence in the Seventy-fifth Congress can be safely predicted.

National Union for Social Justice

The second most powerful of the mass pressure movements is Father Charles E. Coughlin's National Union for Social Justice, the first mass pressure movement of American Catholics. Built around the second most effective radio voice in the United States and upon a vague program compounded of neo-populistic free silver and currency inflation sentiments, Christian Socialism, and attacks upon the "Money Power", the National Union has steadily increased in power for more than four years, an unusual record among these short-lived movements. Its influence radiates westward from Father Coughlin's impressive Michigan following, in a narrowing area through the "new immigration" areas of Illinois, across the debt-burdened prairies, into the free silver areas and Catholic communities of the Northwest. Eastward, the priest's voice finds its greatest response in the heavily populated centers of the "new immigration", where Catholic ears find his Christian Socialist quotation from Popes Leo and Pius familiar and satisfying, coupled with his tirades against greed and corruption in high places.

The priest's constructive program is astonishingly vague, but he gains and holds his following by fierce attacks upon bankers. He favors public ownership of "public necessities . . . banking, credit and currency, power, light, oil and natural gas, and our God-given natural resources," believes Congress should regain its right to coin and regulate the value of money, and declares "the chief concern of government shall be for the poor because, as it is witnessed, the rich have ample means of their own to care for themselves."

Father Coughlin's political power is more easily mobilized than that of other mass pressure movements. His followers respond almost instantly to his radio appeals for a demonstration of strength. When the Senate was considering the World Court, he literally submerged those members from his area of influence with a deluge of telegrams from their constituents. So great was the rain of Coughlinite messages that they were delivered in basketsful from the Baltimore offices of the telegraph companies, the Washington offices being unable to handle the excess. The priest's current fight to force the Frazier-Lemke mortgage moratorium bill into the House calendar has been only slightly less impressive.

Yet it is evident that Father Coughlin recognizes his limits. He has carefully avoided any sharp tests of political strength. He has not ventured to directly attack President Roosevelt, but has chosen Representative O'Connor for his present adversary. Periodically, he has announced the impending formation of congressional district organizations of the National Union for Social Justice and his entrance, through these units, into party contests. But these district organizations have been postponed, and Father Coughlin still engages in guerrilla political warfare only.

These facts point out two sharp limitations to the political power of the National Union.

First, Father Coughlin possesses no unusual skill as an organizer, but relies instead upon his oratorical genius. Second, Father Coughlin strongly possesses the hesitancy of mass leaders to share their power with strong lieutenants. His National Union is more of a "one-man show" than any of the other movements. National party leaders, aware of these important defects in the Radio Priest's organization, are not likely to be stampeded by his demands for power, though certain platform concessions may be made for his followers by the Democratic Party, in which lies his greatest strength.

Utopians

Certainly the most esoteric of present-day mass movements is the Utopian Society, Incorporated (U S INC), founded in Southern California by Eugene J. Reed in 1934. At its crest, in the spring of 1935, the movement was conservatively estimated to have 300,000 members, the great majority being on the West Coast. Aptly described as "out of Technocracy by Bellamy's 'Looking Backward' with a dash of Buchmanism as a fillip," the Utopian Society introduces its members by five cycles of fraternal rituals into a Utopia where all production would be planned by a governing board. The movement would keep all persons in school until the age of twenty-five. Between twenty-five and forty-five years of age, the citizenry would work at productive tasks for three hours a day, to be paid in paper money which must be spent within the year. Everyone would retire at age forty-five to receive a pension of two hundred dollars per month.

The organization is that of a secret order, with password, oath of secrecy, and other fraternity-lodge characteristics. Its greatest attraction has been for the lower middle class. Lack of immediate political orientation, however, deprived the Utopian clubs of an activity program, with the result that once the ritualistic novelty ceased to entertain the members, they began to lose interest and to turn to other mass movements. In California, the Utopians have lost heavily to both Epic and the Townsend organization while in the East leadership quarrels have slowed expansion. The society now seems definitely on the decline.

"Share-the-Wealth"

Senator Huey P. Long ruled Louisiana as a political boss, but his talents did not end there. He was a skilful and inventive mass leader as well. His most successful political invention was not the Louisiana machine but his "Share - the - Wealth" organization which, until his assassination, had shown a growth in popular strength less amazing only than the rise of the Townsend plan.

"Share-the-Wealth" was, and is, the only current mass movement to gain extensive strength in the South. Long knew the tone of Southern politics and adapted his program to its temper. The simple tenets of his plan—to limit fortunes to "a few million dollars", to "limit poverty" by providing every family with $5,000 free of debt, and to provide old-age pensions of $30 per month to all persons over sixty years of age, were irresistible to poor farmers, the sharecroppers and tenants of the surrounding States, and his following spread rapidly over Arkansas, East Texas, Oklahoma, Mississippi, Alabama, Georgia, South Carolina, and, to a limited extent, into the remaining Southern States.

But Long refused to share power, in keeping with the pattern of these movements, and his assassination deprived the Share-the-Wealth society

of both its mass leader and its organizing genius. Its subsequent decline has been rapid. The heirs to the Louisiana machine have disassociated themselves from the movement, preferring to pursue the gains of organization politics as members in good standing of the national Democratic Party. Their readmission is now established. Meanwhile, the Reverend Gerald K. Smith, self-designated heir to the Share-the-Wealth organization, frantically has attempted to hold Long's mass following together. But he lacks both the voice and skill of a mass leader. The society has so rapidly declined in influence that its importance is now negligible. Its primary significance for observers is its demonstration of the vulnerability of the "one-man" mass pressure movement.

EPIC

The most carefully organized of the present-day mass pressure movements is the End Poverty in California League, founded in 1934 by Upton Sinclair. On a local scale it has the most impressive record and has the greatest likelihood of surviving the eclipse of its leader. Within its first year, the league consolidated its position within the framework of the Democratic Party in California, captured the party organization, nominated Sinclair for Governor in the Democratic primary, and in a bitterly fought campaign polled but a small percentage less than a majority of the votes cast. The organization has since defied successfully the attempts of the McAdoo faction to recapture it, and retains today the dominant position in the Democratic Party of the State.

The EPIC program was launched in a statement of principles revealing political skill of a high order:

1. God created the natural wealth of the earth for the use of all men, not of a few.
2. God created men to seek their own welfare, not that of masters.
3. Private ownership of tools, a basis of freedom when tools are simple, becomes a basis of enslavement when tools are complex.
4. Autocracy in industry cannot exist alongside democracy in government.
5. When some men live without working, other men are working without living.
6. The existence of luxury in the presence of poverty and destitution is contrary to good morals and sound public policy.
7. The present depression is one of abundance, not of scarcity.
8. The cause of the trouble is that a small class has the wealth while the rest have the debts.
9. It is contrary to common sense that men should starve because they have raised too much food.
10. The destruction of food or other wealth, or the limitation of production, is economic insanity.
11. The remedy is to give the workers access to the means of production, and let them produce for themselves, not for others.
12. This change can be brought about by action of a majority of the people, and that is the American way.

The leadership and organization of EPIC had from the first a mature political orientation. Power was never concentrated in one man, and Sinclair revealed marked ability in the diplomacy of selecting lieutenants who had strength in their own right. Consequently, when the campaign for the Governorship revealed that Sinclair's extensive writings in behalf of socialism had made him a vulnerable target for hostile propaganda, he could begin a voluntary self-effacement without impairing the organization.

EPIC very likely will succeed in building in California a powerful State organization similar to the La Follette Progressive Party in Wisconsin and the Farmer-Labor Party in Minnesota. There it may wield a left-wing influence in the national Democratic Party.

Outside California, the influence of the league will be in the propagation of ideas rather than in the extension of its organization, for its leaders recognize the federal tradition of our party system. This has been the league's strategy in Oregon, Washington, and the Midwestern States where it has become a new EPIC—End Poverty In Civilization.

American Liberty League

In sharp contrast to the foregoing organizations, the American Liberty League is only nominally a mass pressure movement. Though it invites the general public to join, it is primarily a highly geared, special-interest society, exclusive in membership, and using the techniques of modern propagandists to attack the New Deal. The league is without a constructive program, although it attempts to put a positive face upon its attacks by speaking of "the restoration of Constitutional Government." It is primarily intended to detach conservative Democrats from their support of the President. The use of "front-page" spokesmen—financial, industrial, academic—to attack specific policies of the Administration is the League's main weapon, with a legal attack upon New Deal legislation in the courts serving as an effective supplement. While the league will no doubt transfer important campaign contributions from the Democratic treasury to the Republican, and while it may, as in Delaware and Illinois, carry along certain sections of the State Democratic organization, it cannot be expected to play an important part in the coming campaign. Its lack of mass support is obvious, and its decline in strength since the Al Smith speech has been marked. It is an instrument of "palace revolution", and the greatest opportunities for its inner-circle manipulations will not arise until the Presidential contest of 1940.

Southern Committee

Established by John Henry Kirby, of Texas, and including in its membership Governor Eugene Talmadge of Georgia, the Southern Committee to Uphold the Constitution has a program and purpose so similar to that of the American Liberty League that it may be called an unofficial auxiliary. It differs in method, however, in its attempts to develop a mass following under the leadership of Governor Talmadge, who has enlisted the support of "Share-the-Wealth" Leader Gerald K. Smith, but their combined efforts have been without conspicuous success. The immediate objective of the Kirby-Talmadge organization is the union of Southern Bourbons, businessmen and "poor whites" against the national leadership of the Democratic Party. The contradictions of such a union are too great for the limited leadership qualities of Kirby and Talmadge, particularly when they are opposed by the astute Franklin D. Roosevelt. Beyond a limited influence in Georgia and Texas, the Southern Committee is likely to be unknown.

Effects upon the Party System

It cannot be overlooked that if these mass movements were to unite in action—a union which is virtually impossible because of organization hostilities—they might turn the tide of the election. But even if they were to resolve their mutual hostilities, they could not successfully hold their followers against the blandishments of the leaders of the national parties. It is evident, for instance, that EPIC is committed to Democratic support, that the Share-the-Wealth strength in Louisiana is committed to Roosevelt, and that

Father Coughlin is imprisoned within the Democratic Party by the loyalty of his rank-and-file Catholics to that party. The Townsend movement, moreover, is split between Townsend's preference for Borah, Clements' neutrality, and the Downey-McGroarty preference for Roosevelt. The American Liberty League is prevented by its propaganda from an endorsement of Roosevelt. The consequences will be a divided front among these mass movements, with the majority favoring the Democratic Party. They cannot, however, capture the majority party by mere endorsement.

The conclusion, then, is that these movements will be submerged by the powerful suctions of the Presidential contest. They cannot enter a third party movement this year, for in the United States the creation of a national third party means the destruction of one of the existing major parties. We cannot maintain three national parties because of the overwhelming importance of the Presidency. The office cannot be divided between parties in coalition, so the political elements line up in two opposing combinations. The governorship has the same effect upon our State party systems. Since none of the mass pressure movements has a following which is insistent upon a third party course, they will all give support directly or indirectly to one or the other of the major parties.

This submergence in the 1936 contest will be temporary for all but the weakest. The deep-seated maladjustments which created these movements will serve to revive them, perhaps even to intensify their strength and numbers. It is altogether possible that the political situation may be ripe for these movements to play their most effective rôle—transformer of the party system. If the Republicans are severely defeated this year, not only in the Presidential contest but in congressional and State elections as well, and if they are again overwhelmed in the congressional and State elections of 1938, the party would face dissolution. The economic groups which constitute the high command of the Republican Party would not continue to fight for a cause hopelessly lost. Instead, they would move into the Democratic contest in 1940, centering their force upon Roosevelt's ineligibility, and determined to capture the leadership of the dominant party by selecting its nominee for the Presidency. Their success, or even their anticipated success, would be the signal for the formation of a new national party upon the ruins of the Republican Party in the West, with its insurgent traditions, aided by the elements now joined in the American Commonwealth Political Federation: the La Follette Progressives, the Minnesota Farmer-Laborites, and the labor unions of the industrial areas. In such a scheme, the great majority of the mass pressure movements would serve as bridges. The American Liberty League would carry the industrial and financial elements into the new Conservative Democratic Party, while the Southern Committee would consolidate the conservative elements of the South. At the same time, EPIC, Utopians, and Share-the-Wealth remnants would add to the strength of the new radical party, while the greater portion of Townsendites and Coughlinites would also follow.

FASCIST PARAGUAY——

—in which South America's poorest, most isolated, most backward republic takes a plan from Europe.

BY E. W. H. LUMSDEN

WHEN he took office a few years ago, the present archbishop of Paraguay determined to set the citizenry aright on the issue of matrimony. So he mounted his horse and rode up and down the land, along forest trails, through swamps and across dusty prairies, marrying the men and women he found living together, for in Paraguay most couples do not bother to get married. The country folk accepted the honor with quiet pride, and young Archbishop Bogarin returned to the capital city feeling that a strong blow had been struck at illegitimacy.

But many of the rural citizens united on the pilgrimage had only a vague idea of what it was all about. Trial marriage was an ancient custom in Paraguay long before our own Judge Lindsey thought of it, and some of the men and women the archbishop married had passed on to further matrimonial experiments almost as soon as the earnest young churchman had left.

In Paraguay, as elsewhere, old customs cannot be undone in a hurry, nor new ones established in their stead. Regeneration, political no less than moral, is difficult.

But another earnest young man has become Paraguay's President, and is planning to solve his country's problems, like the archbishop, by swift and drastic action.

Colonel Rafael Franco, the new President, has chosen "big-time" dictators as his models. Chief of South America's poorest, most isolated, and most backward republic, he is avowedly patterning his regime after those of two great nations—Italy and Germany.

It was a great publicity stunt. A short while ago, thousands of newspaper readers in the United States read that Paraguay had set up the first "totalitarian state" in the New World. The Revolutionary Party which hoisted Franco to power became synonymous with the State by presidential decree; all other parties were barred from engaging in political activities for one year, and a strict censorship was clamped on the press. During this year, Colonel Franco hopes to be able to carry out his program of reforms.

It seems strange that the first New World country in which Europe's "totalitarian state" idea should take effect is the nation that has the least contact with Europe. No country is so thoroughly isolated as one that is surrounded by land, and Paraguay is in the very heart of South America—four or five days' journey by river steamer

from the Atlantic Ocean. It has almost no foreign immigration. Most of the foreign capital invested in it is from neighboring Argentina, not from Europe or the United States. So little has the country been affected by contact with even neighboring republics that it remains the only South American nation where the language of the people is neither Spanish nor Portuguese; except for the upper classes, Guarani, the aboriginal Indian dialect, remains to this day the language of ordinary intercourse, though there are very few pure Guaranis surviving in the country. Most of the population is a mixture of Indian and white.

Fundamentally, however, the idea is not new. For Paraguay reached its greatest heights of peace and prosperity as a "totalitarian state" long before Hitler and Mussolini were born.

It was over the Guarani Indians that the Jesuits established their famous "republic"; the Guaranis lived for more than 150 years in static contentment under the paternalistic rule of the churchmen, until the Society of Jesus was expelled by the King of Spain in 1767. Then the civilization they had built collapsed.

El Supremo Arrives

There was no Republic of Paraguay then, of course. And a century and a quarter ago, when independence came to Paraguay from the dying grip of the Spanish Empire, that ruthless patriot made famous by Carlyle—Dr. Francia—set up a dictatorship rivaled in comprehensiveness only by that of Jehovah over the Jews in the wilderness. Business, travel, thought, conversation, even marriage were minutely regulated by this iron man. The docile people feared and obeyed him, and like Jehovah, he was never referred to by name. While he lived he was El Supremo, the Supreme One. Afterwards, he was El Difunto, He Who Is Dead.

For the fifty-one years during which El Supremo and his successor, Carlos Antonio Lopez, reigned, Paraguay had no revolutions and lived in peace (except for minor skirmishes) with her neighbors. To the south, Argentines exterminated themselves in civil strife and fought bloody wars with the Brazilians; and to the west and north, the people of the other South American republics spent their energies in chasing one another through presidential palaces.

It was no golden age which the dictators brought to Paraguay. There was little foreign commerce, few roads, less education. Disease was widespread. But continued peace is the healthiest regimen any nation can have; and when Carlos Antonio Lopez died in 1862, Paraguay was the most prosperous and progressive state in South America, with a population of perhaps a million.

It was a nation, however, of contented cattle, rather than of men. The people did what they were told, and nothing more. They wanted nothing, because nobody ever asked them what they wanted. Francisco, son of the first Lopez, became Chief of State in his father's stead because no one else tried very hard for the job. A megalomaniac, he herded his people into an insane war on Brazil, Uruguay, and Argentina. Five years later he was shot dead while swimming a river to escape the soldiers of the allies.

It is noteworthy that this war ended because, quite literally, there were no more Paraguayans who could fight. The hostilities had reduced the population to 270,000 women, and about 30,000 males, most of them small boys or aged men.

It is back to the "good old days" of the dictators that Paraguay's new

President wishes to lead his people. For, though the country's population has climbed back to the million mark since the death of the second Lopez in 1870, Paraguay is still the most backward and poverty-stricken nation in South America, with perhaps one exception. The possible exception is its neighbor Bolivia, with which it fought a bitter and bloody war from June 1932 to June 1935 for possession of the Chaco, the vast, inhospitable wilderness that stretches between the two countries.

Franco's Rise to Power

It was out of this war that Colonel Franco rose to fame. The commander in chief of the Paraguayan forces was studious, taciturn General Estigarribia, but it was Franco who was the soldiers' hero. Franco commanded the Second Army Corps. It was he who originated the flanking tactics which finally enabled him to lead his men triumphantly into Bolivian territory.

Estigarribia was willing to stop there, having won the whole of the disputed area; but Franco, denouncing his superior's "encyclopedic incompetence", was eager to press on into Bolivia's province of Santa Cruz and seize the Standard Oil Company's concession there. Estigarribia won Eusebio Ayala, then President, to his point of view, and Franco went into exile, branded with the usual epithet applied to South American rebels—"communist."

The war veterans worshipped Franco, however; and one day last February, while Estigarribia was out of town, a body of troops marched into the capital, and after a skirmish with the police, forced the resignation of President Ayala and summoned Franco from exile to take the Presidency.

Ayala had formerly been a professor, and as President had more than once sought to stem the nationalistic fervor of the students, denouncing their "puerility and empty lyricism."

"Beardless youths," he once said, "take possession of daily papers and magazines and write on social and historic themes with all the gravity of academicians."

That was exactly what the students proceeded to do now. They hailed the revolution enthusiastically, and seized the editorial offices of the newspapers, ordering the business departments to keep on bringing in circulation and advertising to take care of the finances.

Man of Action

Franco has no patience with Ayala's idea that it takes time to learn things. He is a soldier and a man of action, who wants to get things done in a hurry. Already he has set up a board to fix prices and rigidly supervise production of the nation's basic necessities, reserving to himself, however, the right to create State monopolies and expropriate private businesses.

He plans to give the newly conquered land in the Chaco to the landless peasants, instead of to "undesirable foreigners"; to see that the farmer gets seeds, tools, and credit without paying heavy tribute to "blood-sucking middlemen"; to build roads, improve the administration of justice, reduce cost of living, punish speculation; and to levy graduated taxes on the big landowners.

Throughout his manifestoes and decrees runs a strong anti-foreign bias. Foreigners, he insists, are to blame for Paraguay's greatest evil — absentee landlordism. For after the war against Brazil, Uruguay and Argentina that ended the age of dictators, the Paraguayan Government found it owned vast areas of land seized from time to time by those dictators. Desperately

in need of money (the invaders had seized all the gold reserves), the Government sold the land for what it could get. Since practically every surviving Paraguayan had been ruined financially by the war, foreigners, chiefly from the Argentine Republic, were able to buy the lands at rock-bottom prices—not with any intention of developing them, but as a speculation. A regular "land market" sprang up in Asunción, the capital, where these estates were traded in like stocks.

President Franco probably will find out soon, however, that it takes more than a decree to cure a national evil. Years ago, the Paraguayan Congress passed a law stopping unconditional sales of Government land, and providing for sales to peasants in small lots at advantageous terms. The effect was slight. Since there are no roads, the rural farmer has no way of getting his crops to a market. So in most cases, when he bought Government land in the past, he kept only enough to assure his family of food and sold the rest to the nearest large estate at a small profit.

Today one can sail for hours along the huge rivers of the country, sometimes for an entire day, without passing the bounds of a single estate. All one sees is a solid wall of matted jungle, broken by an occasional tiny clearing. Forest, swamp, and pasture land, they stretch inland league after league, some of them as large as a New England State (one landowner possessed an area the size of Indiana a few years ago). They are of immense future value, perhaps, but now mostly virgin wilderness.

Patient road-building is the only cure for this. "Foreign greed" fundamentally is to blame neither for the land problem nor for the high cost of living, which is also laid by President Franco on the foreigner's doorstep. To the contrary, Paraguay's troubles are largely due to the fact that foreigners have not cared to risk their capital in a country which, since the last dictator was killed in 1870, has been torn by almost annual revolts and revolutions.

Need for Foreign Capital

Neighboring Argentina is a network of railways, virtually all built by foreign capital; but Paraguay, a country as large as Texas, today has only 274 miles of track, excepting the military railways in the Chaco which lead nowhere. Save for this single short line, and for the little steamboats that ply the two great rivers, freight can be transported only by high-wheeled oxcarts through the mud or dust of country trails.

Without the men and money that foreigners can supply, President Franco faces immense difficulties in improving his country's lot. Paraguay is incredibly poor in both. Even today there are twelve or thirteen women to every man. In the districts bordering the frontier, the proportion is often higher because of the steady emigration of the men.

Those who remain, if they are the small fraction that has won an education, can aspire to earn from $70 to $125 a month as clerical workers. If they are skilled laborers, they may get from two to three dollars a day in the capital, while in the rural districts, they may make $1 or $1.25 a day, but that is often mortgaged to their employers long before they have earned it, for peonage is widespread. It has been calculated that Paraguay's total buying power is about equal to a United States city of 150,000 people.

The country needs money for schools. The laws already provide for compulsory education, but 80% of the population are unable to sign their

names. Many of the school teachers are themselves only semi-literate for, after all, they receive a salary of only six dollars a month in the rural schools, rising to a maximum of perhaps $40 where the school is big enough to constitute a full-time job. Even if the compulsory education law were enforced, there are enough schools in the country to accommodate only about one third the children of school age.

Not that things were any better in this respect under the old dictators. When the first Lopez died, in 1862, there was in Paraguay not a single native-born, university-trained physician, lawyer, teacher, or engineer, and the percentage of illiteracy among the masses was even higher than now. Today, Paraguay boasts a national university, a score of professional schools, and a number of fairly good secondary schools, of which the acknowledged best is the International College, run by United States missionaries.

Public Health

Public health is another problem that the new regime will find stubbornly resistant to "totalization." Paraguay already has legislation which in the judgment of many experts ranks among the most complete and best-thought-out of any in South America, and can even stand comparison with European standards. But again, it was legislation *de haut en bas;* the actual state of public health is extremely low.

Paraguay is one of the goiter centers of the world; one sees sufferers in almost every town, grotesque growths swelling from their necks. Lepers beg about the streets of Asunción. Estimates of the total number of lepers in the country vary from 1,500 to 8,000. A walk through Chacarita, the beggars' slum outside Asunción, makes one wonder whether the higher figure is not nearer the truth.

Of less visible diseases, "chu-chu" and hookworm are the most widespread. The former is a mild form of malaria, from which almost half the population suffers at one time or another. Hookworm is almost as widespread as illiteracy. Nearly 80% of the population, in the towns at least, is afflicted with it, and it causes 20% of the nation's deaths. Its prevalence is due largely to the fact that only "ladies and gentlemen" in Paraguay wear shoes—everyone else goes barefoot.

But this listing of the difficulties Paraguay is struggling with is no arraignment of the gentle, courageous, passionately patriotic people of the country. They live in a land lush with potential wealth, a land of perpetual, orange-scented summer, needing the railways, sewers, and roads that foreigners would bring.

If anything, the facts arraign, not the Paraguayans, who have suffered from excess of loyalty to bad leaders, but to the muddled, hasty thinking which has spread from Europe to South America, and which seeped into our own Louisiana, South Carolina and Georgia: the idea that a nation's troubles can be solved by one man doing drastic things in a hurry. Colonel Franco is energetic, brave, and sincere; but he is a soldier, not a politician. Shrewd, cynical old Ayala, whom he ousted, could tell him that it is much simpler to win a war than to regenerate a nation.

"Slave labor is necessary—"   "—the two brothers have perfected a machine . . ."

"They envisioned a cooperative—"   "A union of sharecroppers. . . ."

KING COTTON'S STEPCHILDREN

BY W. CARROLL MUNRO

IN July 1934, twenty-seven white and Negro sharecroppers gathered at a dingy schoolhouse in Poinsett County, Arkansas. An old Negro with cotton-white hair, a member of the black man's union at Elaine, Arkansas, before the bloody massacre, raised his voice:

"We colored people can't organize without you," he said, "and you white folks can't organize without us. The same chain holdin' my people is holdin' yours too. We got to get together and stay together."

The question of racial discrimination was temporarily settled, and the Southern Tenant Farmers' Union had its beginning.

"A union of sharecroppers is an impossible thing. The poor whites and Negroes stalemate each other. All a planter has to do is scream 'rape', and that's the end of the union. The whites are rich in pride, and that's about all." (*A Cotton Broker.*)

From Poinsett County the union spread to the adjoining counties in the face of violence and terrorism on the part of the planters and officials of the law. The sharecroppers, afraid of nothing but the continuance of their own misery, grappled with the problems of organization at the risk of brutality and death. Union meetings were greeted by gunshots. Organizers had their sentences punctuated by the snarl of heavy revolver bullets.

The Rev. Mr. Abner Sage, keeper of Christ's gospel in Marked Tree, Mississippi, informed the world (according to the New York Times): "It would have been better to have a few no-account, shiftless people killed at the start than to have all this fuss raised up. We have had a pretty serious situation here, what with the 'mistering' of niggers and stirring them up to think the Government was going to give them forty acres."

In the late summer of 1935 sharecroppers and tenants, members of the Southern Tenant Farmers' Union, watched their lands whiten at cotton-picking time. They met and discussed their problems. The planters also met and heard a spokesman crystallize the thought in every mind: "There are enough starving people in Arkansas to pick all of our cotton for twenty-five cents a hundred."

"You can't entirely blame the planter. Slave labor is necessary to cotton. A decent wage would ruin the growers. Cotton is just that kind of a crop. It's a king and tyrant." (*A Cotton Broker.*)

On a given night following the planters' wage ultimatum, strike bills

were distributed to union members. The following morning the white loveliness of the cotton fields was unattended by human hands.

On this eve of harvest, cotton pickers had for the first time determinedly entered the lists of organized labor. Strikers were immediately arrested; they went willingly, remembering the order: "Fill every jail in Arkansas but don't pick cotton until union prices are met."

Ripe cotton hung in the bolls; pickers stuck to their cabins and planters appealed to the poor whites to stop fraternizing with the Negroes, to come out and pick cotton, and in so doing protect the womanhood of the South. But this time black and white were steadfast; they stood by each other.

"I heard about that strike. You can't help but admire an underdog if he gets a 'holt' and has the courage to hang on." (*A Cotton Broker.*)

Six days after the strike was called the planters capitulated to union demands with a low offer of sixty-five cents per hundred pounds and a high of one dollar. White and black, sharecropper and tenant returned to the fields, astonished at the strength of solidarity and vaguely aware of a new beginning.

A Cooperative

A few miles west of Memphis, Tennessee, fifteen families of sharecroppers, evicted from their homes for union activity, straggled along a dusty road with their pitiable bundles of household furnishings. Two men drove up in a car and questioned them closely. A few hours later the evicted sharecroppers were loaded into trucks and transported to temporary shelter in Memphis. One of the rescuers, a Sam Franklin of Tennessee, spoke his mind:

"A great deal has been said about the sharecropper; nothing has been done. We must start right now!" The other rescuer, a Sherwood Eddy, author and ex-Y.M.C.A. president, agreed.

"The Resettlement Administration is doing something for the sharecropper; but it's long-range planning and very slow. Perhaps, if they wait long enough they won't need a plan. Most of us remember Huey Long. He came out of that human volcano with hot feet. Another man of the same stripe might have better luck." (A Cotton Broker.)

Together, and with other men of the same mind, Franklin and Eddy made a quick survey of the surrounding territory in Tennessee, Arkansas and Mississippi. In the latter State on the banks of the Mississippi River, two hours' drive from Memphis, they purchased a 2,000 acre farm at $5 dollars the acre. Sam Franklin and Howard Kester, both Southerners and both experienced in practical farm problems and sharecropper misery, immediately moved the evicted farmers onto the new land. They envisaged a cooperative farm, with cooperative cotton planting, a dairy herd, canning factory, cotton mill, diversified crops and poultry. Under their direction temporary houses were built at once, a cooperative store established and five hundred acres plowed up for cotton. Twenty-three families, seventeen Negro and six white, labored together. A temporary council of five was elected under Franklin and Kester to guide the immediate destiny of the farm. Supplementing their efforts a trustees board of four, including Sherwood Eddy, sought to raise the money necessary to the completion of plans which included schools for the whites, schools for the Negroes, and the opportunity for life becoming human beings.

"My hobby is pure bred Guernsey

RUST COTTON PICKER AT WORK ON A MISSISSIPPI PLANTATION

cattle. I'll supply dairy herds to the cooperative." (J. C. Penney)

"Here's forty-five dollars. It'll buy nine acres of the cooperative farm." (Pittsburg Negro Group)

"If this cooperative was just another Jim Crow proposition I would have nothing to do with it." (Sam Franklin)

"There's not a Communist within a hundred miles of the cooperative farm at Hillhouse, Mississippi. Believe me, these sharecroppers are just people, oppressed people, making a new beginning." (Sherwood Eddy)

"Perhaps, Eddy and his friends have the right idea. Everything else has failed the poor beggars. Cooperation might be the answer." (A Cotton Broker.)

Declining Southeast

Two opposing futures beckon to the pulsing nucleus of this cooperative beginning. One future—the degradation of sub-marginal peoples to a lower and lower status. The other future: a realization of these peoples' potentialities in intellectual development under better environmental conditions.

None of the men who have engineered the plan is ignorant of the realities of its problems. The declination of cotton production in the Southeast has been demonstrated beyond argument. Men and soil are drained of resources. For the land, fertilizer is no longer enough; for the men, starvation and ignorance are intolerable. Westward, cotton moves to the plains of Texas and the Southwest where highly mechanized equipment and little fertilizer yield greater and greater garners of the fibrous snow each year. Comparative figures show that in the depleted Southeast 41% of overhead is spent for fertilizer while in the fecund Southwest a low of 4%

of overhead is required. Labor costs tell the grim story of the comparative regions in terms of humanity. In the Southeast an all-time low of 32% goes to the laborer; in the Southwest his share touches 60% and more. If cotton is to remain a competitive crop in the face of foreign pressure and new synthetic processes, its future lies west of the Mississippi. And emerging from its tyrannous regime in the East is the wreckage of land and men. Nothing remains of the great productive energy of the Southeast but the muscles of work animals and agrarian laborers.

"The Southeast has seen its best days and, for that matter, so has cotton. It's a declining commodity. The figures tell the story. One Federal bank in the Southeast owns 1,100,000 acres of land and operates more than 4,000 farms. How can the planter pay wages or interest on his debt with cotton selling for less than cost?" (A Cotton Broker.)

In the "cooperative" on the banks of the Mississippi is tentatively fused the actual attack upon the problems of the day. Poor whites and Negroes, semi-illiterate and illiterate, prejudiced and superstitious, struggle to conquer the realities of their lives. Cooperatively they will raise a diversified, nutritious diet for themselves and their fellows, they will raise cotton and weave it into cloth for those who, despite their bare backs, have already been excluded as a potential market by the economists of scarcity; they will attempt to liquidate their venture and with whatever profit establish other cooperatives.

"These disinherited men . . . their eyes fixed upon far horizons where freedom and plenty await them . . . march with firm feet toward it; tomorrow with firm hands they will seize it." (Howard Kester.)

To support these high hopes are marshaled the strength of the workers, the will of their indigenous leaders, the aid of all men of good will, and the particular skill and vision of one cooperative trustee, John Rust, co-inventor with his brother Mack, of the Rust Cotton Picker.

Conceiver of a Vision

After an eight-year struggle, the two brothers have perfected a machine appraised by experts as the reality of a century's dream. John Rust, conceiver of the vision, had no access to a formal technical training.

"I took a correspondence school course in auto engineering and finished with a grade of 98 percent," says John Rust. "That, and part of another correspondence course in mechanical drawing, was all the technical training I ever had."

But Mack Rust, with his brother's help and encouragement, suffered no educational deprivation. After studying at the University of Texas he worked for General Electric until he left to help his brother with more technical knowledge.

In 1935, following successful tests in Texas, Louisiana and Arkansas, the Rust Cotton Picker shaped up, even to the most skeptical, as something more than just another "crazy invention." And skeptics have had many inventive failures in the past to justify their doubts. For nearly a century, millions of dollars and hundreds of men have concentrated upon finding a substitute for human fingers. Many machines have been completed; the most successful a suction unit that collected so much foreign material with the cotton as to make ginning expensive and to materially lower the grade of the harvest.

But the Rust Picker, a single unit drawn by tractor, apparently has solved

the major mechanical problems. Straddling a row of cotton it passes over the stalks with 3,600 moistened and revolving spindles whirling through the clots of drooping cotton bolls. When a spindle contacts a boll it twists into the fibers drawing them from the pod and holding them securely until they are withdrawn and in turn deposited into a trough. From the trough the cotton is forced, by a compressed air blower attached to the rear of the unit, up through a pipe to a large canvas bag suspended at one side of the machine. When the bag is filled it is replaced by another. Manned by two men the picker, stripping only the ripe bolls from the growing plants, will do the work of eighty-two hand laborers. With its widespread application the cankerous problem of the impoverished cotton pickers will be solved; they will simply be eliminated.

"To Alleviate the Deeper Misery"

Behind the machine stand the brothers Rust, both professed Socialists. As boys and men they have tasted the backbreaking toil of cotton picking.

"I was a farm hand—cotton picker mostly—for years after our home broke up," says John Rust. "We got down on our knees and picked cotton. We decided then that we would try to invent a machine that would do this toil. We have that machine."

The disaster which usually results from a quick dumping of perfected invention upon an eager but ignorant market is understood by the inventors. To their credit is a stubborn determination to alleviate the deeper misery that will accrue to their fellow workers with the inevitable coming of the machine.

"When you've knocked around as much as I have," says John Rust, "you'll develop a sense of the other fellows' rights to a chance to make a living. The only thing I can see that will prevent widespread unemployment is for us to lease the machine to cotton planters instead of selling it to them. This way we can insert clauses in the lease that will insure that the planter will pay a fair wage to his pickers and work them reasonable hours. But I don't think the sharecropper will be protected very well until his problems are grasped from a national standpoint. I don't know the answer to it. I wish I did."

With Sherwood Eddy and others, John Rust has organized the Rust Foundation for the purpose of utilizing nine tenths of the inventors' profits for the foundation of cooperative farms and educational projects for the white and Negro. To the Southern Tenant Farmers' Union he has offered marketing control of the machine.

So it would seem that to the history of invention goes a labor-saving machine that has actually been aligned with the future of the workers it will displace.

"It's the patriotic angle that interests me in the Rust Cotton Picker, although I've been with commercial people so long that I suspect one of the brothers is just a good advertising man. But I hope he's telling the truth for the good of the sharecropper . . . and for my own good." (A Cotton Broker.)

BY WILLIAM SEAVER WOODS

HAS THE LEAGUE FAILED?

Most people think "Yes!"
Mr. Woods thinks "No!"
His review is helpful.

IS Geneva merely a center for empty talk? Has it proved itself unable to enforce treaties and to prevent aggression? Why has the League done nothing effective to halt Japan, Italy, Germany? Why, then, do the European Powers still seem to take its discussions and decisions seriously? Is it, after all, the world's strongest force today for peace?

These questions are not just crisp conundrums to make a little piquant reading for a rainy afternoon. They may, as a matter of cold fact, concern everyone in the world—every home with a man of military age, every home without a gas mask, every home that might be sacked in a crash of civilization.

Never since the World War have the cables hummed with such startling news of military preparations, stretching all the way from London, Paris and Berlin to Moscow, Vladivostok, and Tokyo, while responsible statesmen utter dark forebodings. No one can dismiss this alarming picture as meaningless, or ignore it as a big game of international bluff. Not after 1914.

Has the League failed? That is the important question as we see Italy flouting the League and conquering little Ethiopia, and Hitler sending his soldiers into the demilitarized Rhineland in defiance of both the Versailles and Locarno treaties. To many the helplessness of the League in the face of these violations is little short of pitiable. Yet, instead of breaking up and going home, the League delegates continue their meetings, present their views in long speeches, pass resolutions, and continue to run the machinery as if it were still in fine working order.

What is the explanation? The League is in a time of testing, a crisis that will show up its cracks and flaws and at the same time reveal its value, if any. To get the right of it, we must examine both sides impartially and try to strike a balance that will give us the truth.

First and foremost, then, we find many in France ready to leave the League and let it fall in ruins because Great Britain will not help force Hitler's troops out of the Rhineland. The gigantic French Foreign Minister, Pierre-Etienne Flandin, drew himself up to his full height of six feet six on March 16 in London and threatened, in deep, resonant tones, to leave the meeting of the League Council there, return to Paris, and mobilize the French Army unless the Council rejected Hitler's peace program. Further, General Maurice Gamelin, Chief of the French General Staff, said in Paris: "When the trumpet sounds on the Moselle and on the Rhine, we must all of us be Frenchmen only . . . The present hour is great with possibilities . . . The French Army is ready for all

eventualities." There is a lightning flash of illumination that shows how near the world came to another big war only a few weeks ago. Cooler heads led by Great Britain succeeded in postponing the crisis to later conferences. But that is precisely what infuriates the French. Postponement, talk, compromise, futility!

"Let us quit the League of Nations!" exclaimed a writer reputed to be semi-official, Count Wladimir d'Ormesson of the *Figaro*. "Let us leave those sterile procedures, those splittings of hairs, those controversies, hypocrisies, dangers. The League has become a labyrinth; in it today we are lost."

"The great mistake of the Allies in 1918 was in not marching to Berlin, and it is not too late to do it now!" said an old captain in the French "Blue Devils" to the writer, in a talk on a railway train in France. The danger to peace lies in that feeling. As Lloyd George said in the House of Commons on March 26: "Hitler organized a torchlight parade through a powder magazine, and there was very nearly a shattering explosion."

England's attitude toward the League in the light of the recent Italian victory is one of humiliation and bewilderment, mingled with the hope of somehow strengthening the organization.

The average American is apt to close his eyes to danger signals that are far away. That very habit is dangerous, as we learned in 1917. Responsible statesmen of all nationalities at Geneva are not merely filled with pessimism, but with sickening apprehension, according to the dispatches from the League headquarters, and their only hope for peace is Micawber's idea that "something will turn up" to avert war.

"Twenty years after the World War, Europe finds herself in a situation that the gloomiest pessimists would not have dared to prophesy," declared Dino Grandi, Italian Ambassador at the League Council meeting on March 18. No one rose to dispute him.

On the same day, in fact, a former Premier of France, now president of the Radical Socialist Party, said in Paris that the present "brutal destruction of treaties" is threatening the existence of "peace, security, and the League of Nations itself." And what is more, M. Edouard Daladier went on: "Europe, which in the last two years has resumed the armaments race, will soon be nothing but an immense munitions factory, into which the people will throw all their resources, putting out thousands of guns and airplanes and tons of gas, pending their final ruin. The nations of Europe should devote a final effort to avoiding this fate."

Also on the same day leaders of labor from fifteen European countries, representing a total of 36,000,000 workers, met in London to demand peace under threat of collective opposition to war. And while this was going on, the British Parliament was endorsing the Government's program to spend $1,500,000,000 to strengthen the Army, Navy, and Air Forces—a sum "urgently needed", in the words of Prime Minister Stanley Baldwin, "to defend Great Britain and to aid the League's system of collective security." What he hoped for, he said, was a tripartite friendship of Great Britain, France, and Germany.

"There can be no peace," he declared flatly, "as long as present conditions exist."

How little hope there is of any such tripartite friendship, however, may be seen in the fact that on March 12 the French Senate ratified a treaty with Soviet Russia for mutual assistance in case of attack, which would bring to

the aid of France, in that eventuality, the Slav Army variously estimated, with reserves, at a total of 13,000,000 men. Such a pact, of course, could be aimed only at Germany. It is reported to be the opinion in semi-official quarters in London that the French General Staff is convinced that now is the time for a "preventive" war to "crush Germany before she becomes too strong and crushes France." *The Journal des Debats,* a leading French newspaper, in a strong criticism of the League, stated: "Let us get back to alliances; the season of paper pacts is ended." And as if in reply to the Franco-Soviet Treaty, rumors come from Berlin that an alliance of Germany and Japan—the two Powers which have withdrawn from Geneva—is in the wind.

No one with the slightest faculty of international observation could have failed to note the come-back of Russia and Germany in the past few years as great military powers, nor can he be blind to its menace to League efforts for peace. Reichsführer Hitler has declared plainly in his book, *Mein Kampf,* that Germany's destiny is to carve out new territory to the eastward by the sword, and expert observers feel that Germany is arming now for that purpose. We might say then that European diplomacy is working on a timetable of sword-sharpening, with the aim of each one to have his blade ground first and to start matters before the other's edge is ready. In the middle sits the League, seemingly trying to talk everyone into being sweetly reasonable and peaceable.

Checkmate

A sardonic feature of it all is that the two Powers that complain the loudest of the League's impotence are the very ones to blame for it. Every effort of Great Britain to restrain Italy's aggression in Ethiopia has been held back by France, and every effort of France to punish Germany for breaking treaties has been soft-pedaled by Great Britain. Then come loud complaints from Paris and London that the League is ineffective! All sense of the incongruous seems to have abandoned European capitals. Hitler, with one hand, tears up the Treaty of Locarno, and, with the other, solemnly offers a new treaty which Europe is supposed to accept as binding.

Last year, when Germany announced her compulsory military training and her creation of an air force, France appealed to the League against Germany's unilateral (or one-sided) violation of international obligations. The League Council not only condemned Germany, but appointed a special committee to study the possibility of imposing measures of restraint on nations which endanger peace by denunciation of treaties. The committee, after mature deliberation, decided that key products for the manufacture of armaments and financial credits might be denied an offender, but the recommendation never was put in force.

When Italy invaded Ethiopia, Great Britain crowded the Mediterranean with warships and demanded that the League enforce all kinds of sanctions against Italy. This time it was France which held back and softened every stricture proposed, until now Italy has apparently won its war and has suffered only a few hampering sanctions which never halted the Italian forces for a day.

A rather pathetic sidelight on the powerlessness of the great League of Nations, the "superstate", supposed to "impose peace" on aggressors, appeared on April 8 when a Geneva dispatch stated: "The League decided to-

day to ask Italy if she is willing to start immediate peace negotiations." The President of the Council "also was instructed to ascertain just what terms Premier Mussolini demanded for stopping his war." This was the League to which little Ethiopia trustfully appealed for protection last autumn. No wonder Haile Selassie said in a message to the League on April 18, "Ethiopia is now entitled to ask herself whether the principle of collective security is not really a dead letter."

"Guilty!" What Next?

With equally naive confidence, France and Russia turned to the League when, on March 7th, Hitler sent his forces into the Rhineland region, supposedly demilitarized by the Versailles and Locarno treaties. The Soviet member of the League Council, Foreign Commissar Maxim Litvinov, declared flatly at the Council meeting in London that unless the League took effective action against Germany, it would become a laughing-stock and be regarded seriously by no one. "We cannot preserve the League of Nations," he said, "founded on the sanctity of treaties, including the Covenant of the League itself, if we turn a blind eye to breaches of those treaties, or confine ourselves to verbal protests."

So on March 19 the League Council found Germany guilty of treaty-breaking by a "unanimous vote." True, the German representative shouted "Nein!" but Germany, France and Belgium were considered "interested parties", their votes were not counted, and the ballot was declared unanimous.

Very well, Germany was guilty—what next? The next thing, it was decided, would be an international conference in May to "discuss Hitler's peace plan and other related subjects." Meanwhile, the German forces in the Rhineland were reported to be "within pistol-shot" of the French forces across the border and were left free to consolidate and fortify their positions as much as they liked.

To say that the French were enraged at this relegation of the whole matter to the quagmire of talk would be putting it mildly. Paris has a newspaper, *Le Temps,* whose utterances are regarded as voicing the views of the Foreign Office. It bitingly remarked:

"It is necessary to say this to the British nation, namely, that on the day that the French come to believe that the League of Nations has ceased to constitute an impartial force for general security, but has become, rather, a pliable instrument for private designs —on that very day their confidence in it will be dead, and they will go elsewhere than to Geneva to seek better-founded confidence. . . . It will be necessary for a new diplomacy to replace the defaulted diplomacy of Geneva."

The British, too, are equally disgusted, but the shoe is on the other foot. The machinery at Geneva has proved itself "entirely inadequate to fulfill the task of preventing wars or arresting aggression by a strong power," says a London dispatch professing to reflect official opinion on Italian success in Ethiopia. It would be "useless", too, to try to "make a bad machine work." It must, rather, "be scrapped and replaced by a new piece of mechanism."

In three big tests, then, the League has disappointed those who hoped for great things from it in Japan's occupation of Manchukuo, in Italy's conquest of Ethiopia, and in Germany's militarization of the Rhineland. If we analyze these failures, we shall find that in each case they were due to the

reluctance of the League to take any really strong and effective measures. Japan withdrew from the League under criticism. Germany joined and then resigned in another tiff, and Italy took the rather derisive and anomalous course of remaining in the League, but snapping her fingers at everything the League might say or do. The whole picture is quite different from the vision of a "Parliament of the World" bringing peace on earth by a mixture of sweet reasonableness and stern discipline, which the League's friends offered to our enchanted gaze when it was first formed.

It may sound a bit amazing to say, in the face of all this, that the League remains, after all, the world's strongest existing force for peace, and that instead of being scrapped, as recommended, it should be continued and made stronger. No less an authority than the distinguished young British Foreign Secretary, Anthony Eden, who has seen all his hopes of saving Ethiopia go glimmering, declared in the House of Commons: "It is clear that the League must go on. In the modern world, it is absolutely indispensable to the organization of international affairs. That is clear."

Completion of the Italian victory, of course, impressed upon Mr. Eden the necessity of "stock-taking."

"Each government and each member of the League—and they all have their responsibilities — must carefully consider for itself the conclusions to be drawn from the last seven months and must make known its views to the League, and that body as a whole must decide on the future course of action when the time comes."

The *enfant terrible* of international politics is, of course, Soviet Russia, which never fails to speak out in meeting and say what it thinks. An evidently authoritative article in *Izvestia* by Karl Radek, instead of advocating a break-up of the League, urges that Germany be won back to Geneva and a strong collective system of security be framed. If Germany refuses, then the organization should be perfected without her. On March 14 Reichsführer Hitler said: "I have offered the world twenty-five years of peace and I have declared our willingness to enter the League." True, he may demand too much at first, but at any rate he is headed in the right direction. Germany, in fact, is in a tight corner on the European chessboard. If she joins the League, she puts herself under the rules and regulations of the Covenant, and if she stays outside, all the other European nations present a united front against any aggressive designs she may have on any one of them. A prettier stymie can hardly be imagined.

How little the League has to fear from the passionate French threats to withdraw may be judged from the fact that the French Government has come forward with an official plan to strengthen the League far beyond anything it has previously known. Its plan is to set up a "European Commission" under the League Council, to act by a two-thirds majority to control the execution of treaties. Each member state would maintain military, naval, and air forces at the disposal of the Commission or the League Council. The scheme has many other provisions, but the point here is that the weakness of the League is to France a reason for strengthening it, not for leaving it.

Now we are in a position, then, to answer the vital question: Has the League failed? The answer is that it has failed in the smaller things and succeeded in the larger things.

It failed to prevent Japan from taking Manchuria. It failed to keep Italy

from conquering Ethiopia. It failed to halt Hitler's militarization of the Rhineland.

Why call these the smaller things? Because in point of suffering and loss of human lives they are insignificant in comparison with the alternatives which the League avoided or averted:

It avoided a war with Japan over Manchuria. It averted war between Italy and Britain. It averted war between France and Germany.

A thoughtful comparison of these three League successes with its three failures will show a tremendous balance in the League's favor. Even if there had been no League, Japan would have taken Manchuria, Italy would have attacked Ethiopia, and Hitler would have marched his men into the Rhineland; but we have all witnessed how ready the British fleet stood to blockade Suez, halt Italy's transports, and start hostilities. It was touch-and-go for weeks. France, too, was on the very verge of mobilization against Germany in March. What kept the peace? It was what the League's critics call the "dawdling" and "confabulation" at Geneva. The League was "impotent" to stop the treaty violations and the little wars. Why? Because it was busy averting the bigger wars.

It is a perfectly fair question to ask the League's critics what they would have done. Would they have turned the Far East into a scene of blood and fire to save Manchuria? Would they have plunged Italy, Great Britain, Germany, France and perhaps all Europe into another great war over Ethiopia and Locarno? Stanley Baldwin spoke recently of the "light-hearted" pacifists.

"Sometimes I am aghast," he declared, "at the light-hearted way people even of pacifist inclinations will speak of collective security."

War is not something to be taken lightly. "If there is another great war," he said gravely, "there will be no limited liability about it for any party that goes into it. It will be every man, woman, and child in the country. That is the reason why we should devote the whole of our energies, hopes and prayers to seeing that war does not come."

Just that is what the League has been doing at Geneva. It has at least kept the peace in Europe for eighteen years in a terribly trying time. Critics show a tendency to ignore that. The tension is increasing. Nerves are at the snapping point. Reports from Geneva assure us that matters are being lubricated and eased along so that probably no great war will break out "this year." In this ticklish situation, would it be the part of wisdom to abandon the only international continuous conference machinery in the world for adjusting differences? The League has been compared to an international fire or police department. No fire or police department has ever succeeded in preventing the outbreak of fire or crime. In fact, the more fires and the more crime, the louder the call for more firemen and police. And as we look across the Atlantic—with gratitude for the 3,000 miles of water between—we see the statesmen of France and Great Britain arguing for more power, not less, at Geneva.

And that is common sense.

CONSUMER COOPERATIVES

"—not communism, not socialism, but business privately owned and operated by consumers."

BY RUTH BRINDZE

On the surface, the consumer cooperative movement offers the least dramatic of any program for the creation of Utopia. It has none of the drum-rolling, the bugling, the gaudy banners and trappings which inspired the Townsend soldiers; it makes no such promise of quick results which enabled the EPIC generals to mobilize thousands overnight. It is this very sobriety which has hidden from the casual observer the real and growing strength of the movement.

In the United States today the daily sales of consumer cooperatives are in excess of a million dollars. Their retail business increased in 1935 by approximately 20%. (All retail sales in the United States, according to the Department of Commerce, increased by only 14%.) Membership in the consumer co-ops is steadily growing and now is close to two million—an earnest army of white-collar workers and farmers whose goal is the elimination of the profit system.

The cooperative program is less spectacular but actually far more radical than the platforms of EPIC and Townsend. It directly attacks the profit system, not by taxation, nor by control, but by the actual elimination of business profits. In the economic structure which the cooperatives have now established in the United States, it is the consumer, the ultimate buyer, who takes the profits which accrue because of his patronage. Ordinarily, these patronage dividends are accepted by business as its just due, the difference between the actual cost of the commodity, the charges for overhead and the established retail price representing pay for the risk involved, the skill employed and general promotion. The more customers who spend money in the average store on Main Street, the greater is the profit for the owners. In a consumer cooperative store, the more money spent by one of its members, the greater his patronage dividend.

One can see how appealing is this economic theory. One can also see what fundamental changes it may involve if a sufficiently large volume of business is transferred from the private profit organizations to the consumer cooperatives.

The question many are now asking is how strong and fundamentally sound is the consumer cooperative movement. They are also asking whether in America, where the profit motive has always been so strong, this non-profit economy will be able to gain a strong foothold. Plainly, its recent growth is a result of the depression and depression psychology. But even when times grow better, the savings possible through cooperative buying and selling may make a real appeal to the bargain instinct.

On other scores, too, it makes a wide popular appeal. When consumers operate their own stores, there is less

need for high-pressure salesmanship and advertising. Further, when consumers buy in the open market for their own use, or when they manufacture goods in their own factories, they can obtain goods which meet their own standards.

Business Apprehensive

Consumer cooperative and producer cooperation are not new in America. They have been tried time and time again and have ended in disappointment, disillusionment and failure. But many important lessons have been learned since the days of the Grangers' fiasco, and the equally complete failure of the Knights of Labor and the Sovereigns of Industrial Democracy. The present consumer cooperatives, backed by white-collar workers and the farmers, are proceeding slowly and carefully, profiting by the experience of consumer cooperatives in other parts of the world.

It is only within the last year or so that business has taken notice of the movement. Before that, it treated consumer cooperation as another of the idealistic and visionary projects which would die of attrition. Recently business has been growing apprehensive, and such spokesmen of industry as Roger Babson have warned that "this consumers' movement . . . has certain elements which are fundamentally sound."

"If consumers ever get organized and go into real action," he said, "our present retailing, wholesaling and producing systems might be blown to bits."

Consumer cooperation is an importation from the old world. The Rochdale principles, which are accepted as the rules of operation for a true cooperative the world over, were formulated in 1844 by a little group of English workmen living in the town of Rochdale. Their wages had been cut; the cost of living was going up. If the profits of the middleman could be eliminated, they reasoned, they could obtain more goods for each dollar spent. It was not easy to get the necessary capital to set up a cooperative store, for the weavers of Rochdale were poor. But before the twenty-eight cooperators had accumulated a capital of $140, the modest sum which was needed, they had drafted the Rochdale principles from which the entire success of the modern consumer cooperative movement stems.

Rochdale Principles

In the policy they outlined it was provided: (1) That anyone, man or woman, whig or tory, could become a member. There was to be no discrimination because of sex, politics or religious beliefs. (2) Each member, no matter how many shares of stock he held, was to have only one vote. Thus the Rochdale pioneers avoided the danger that a few members would be able to gain control. (3) The capital investment in stock was to earn interest at a low rate, the real savings were to be distributed in patronage dividends. (4) Prices were to be fixed at the market price and the difference between this and the actual cost to the cooperative was to be returned at regular intervals in the form of patronage dividends to each member in direct proportion to his purchases. (5) All business was to be done for cash.

These are the rules which saved the Rochdale cooperators from running their enterprise into the shoals where many other similar endeavors had foundered. They are the rules which have enabled consumer cooperatives to make the British Cooperative Wholesale the biggest single business in England. In Sweden, they have

enabled the people to "break the trusts" and to establish an industrial democracy which Marquis Childs has described as "the middle way"—not communism, not socialism, but business owned and operated by consumers.

On American Shores

The Rochdale principles were imported to America by immigrants who came to the new world to make their homes. While Robert Owen and Dr. William King were attempting to create a more perfect economic order in England, in the early 1800s, similar, but indigenously American efforts were being made on this side of the Atlantic. But until the Rochdale principles were established, all the consumer cooperative efforts failed because of lack of a sound financial program, poor management, and selfish interest. So, as our lawmakers were willing to base our fundamental laws on English models, leaders of the American cooperative movement based their efforts on the principles established by English weavers.

The first of the modern consumer cooperatives established in the United States were organized by immigrants. A group of women living in Waukegan, Illinois, were dissatisfied with the price they were forced to pay for milk. Their husbands' salaries had been cut, they had less money to spend, but the price of milk continued to go up. Something had to be done and, having been trained in Europe in the principles of cooperation, they decided to apply these principles here. A small group was organized, and milk was ordered in wholesale quantity. Each member called at the little basement headquarters for her quota. As business increased the group was able to move into better quarters. A little later, they bought the plant of one company to whose high prices they had objected. Today, the Cooperative Trading Company of Waukegan owns its own pasteurizing plants, has a fleet of delivery trucks, and in addition to milk, handles a complete line of groceries in its chain of stores. Even more significant is the effect that the cooperative has had on the lowering of the milk prices of all dealers in the Waukegan area.

The United Cooperative Society of Maynard, Massachusetts, was organized in 1909, a year before the Waukegan group. It, too, was formed by immigrants, and it has demonstrated that there is as important a place for the consumer cooperative in the industrialized East as in the West.

East and West, little groups of earnest men and women were forming buying clubs for mutual benefit. Retail stores were established; producers banded together to effect savings in the marketing of farm produce; still others formed mutual insurance and home loan associations. These financial organizations grew more rapidly than other cooperatives, but the character of many has gradually changed, until today the average mutual savings bank, insurance and home loan society is in many respects not unlike the average private profit organization. Members have no control of the operation of the business. But modern consumer cooperatives are not so organized. Even though some of the units have grown large, each one is composed of many small units, and thus we have a system similar to that on which our political democracy has been established. The small group elects its representatives to sit on the board of the larger group.

It was not until the World War that the American consumer cooperatives really took hold. Then Americans, particularly the farmers in the West,

felt the need for banding together to make each penny buy as much as possible. By that time, the British, Swedish, Swiss and Finnish cooperatives were selling millions of dollars of goods annually. Here we were only making a start. The Cooperative League of the United States was organized in 1915 as a unifying force for the movement. There is no complete report of business done by the members of the league, but the following summaries of the 1935 annual statements of some of the most important member groups will give an indication of the scope and size of cooperative enterprises.

Business Record

The Eastern States' Farmers Exchange of Springfield, Massachusetts, reported to its 62,000 members that business done in 1935 amounted to $14,067,533, an increase of 13.5% over the year before. Approximately $100,000 was returned as patronage dividends and an additional $50,000 was set aside for further expansion.

National Cooperatives, Inc., business federation of eleven cooperative wholesale associations serving retail consumer cooperatives in 21 States, reported a total wholesale cooperative business of $25,438,409, an increase of 32.2% over sales for 1934.

Consumers' Cooperative Services, which operates a chain of 11 cafeterias and several cooperative housing projects in the New York area, reported sales of $434,396, approximately a 10% increase over the year before.

Consumer Oil Company of Greeley, Colorado, one of the oldest oil cooperatives, returned to its members in 1935 more than $93,000 in patronage dividends.

Cooperative Wholesale Association of Southern California, organized eighteen months ago, after the failure of the EPIC plan, reported a total business since its inception of $40,000. It serves sixty cooperative stores and buying clubs.

Grange Cooperative Wholesale of Seattle, did a non-profit business of $3,000,000 in 1935, an increase of 40% over the year before. Estimated savings to members totals more than a quarter of a million dollars.

Consumers' Cooperatives Services of Chicago, organized by nine people in 1932 and operated as a buying club for one year, opened a grocery store near the University of Chicago campus in 1934 and is now doing a monthly business of $35,000.

Farmers Union Central Exchange reported sales of $4,028,088 for 1935, an increase of 54% over the year before. This cooperative is one of the biggest of those handling oil and gas, and has recently acquired an $80,000 oil compounding plant.

Expansion

The growth of the oil cooperatives in the West have been particularly noteworthy. In North Dakota, the 6-year-old Farmers' Union, is the State's second largest distributor of oil and gas. In Minnesota the Midland Cooperative Wholesale has established a similar position.

The recent organization of the Consumer Distribution Corporation with an initial capital of one million dollars furnished by Edward A. Filene, famous department store tycoon and founder of credit unions in the United States, has been heralded as a significant forward step in the establishment of a consumer cooperative society. The credit unions, or consumer cooperative banks organized on the Rochdale principles, are a growing force in small-loan finance. Thirty-seven States now have laws on their

statute books providing for the establishment under State charters of these consumer banks, and in 1934, the Federal Government passed the Credit Union Act. With the credit unions firmly established, their sponsor, Mr. Filene, is now planning the establishment of a great chain of cooperative department stores.

Normally, a consumer cooperative is established on a smaller scale. A group of neighbors, church members, or school teachers form a buying group. In Ohio, even school children have formed such groups, and have learned from practical experience how consumer cooperatives operate, while in Wisconsin the principles of consumer cooperation are taught in the public schools in accordance with a recently enacted law. At first, a group of cooperators may operate merely as a buying club, meeting in private homes. As the business grows, they open a store, and employ a full-time manager.

Then a branch store may be established, followed by a second, third and fourth. By this time, the group has either become a member of a cooperative buying group, or it has formed its own wholesale unit. There is no limit to the size that consumer cooperatives may attain, nor to the volume of business done.

Government and the Co-ops

The United States Government has officially recognized the economic possibilities of the cooperative system. During the early days of the Roosevelt Administration, relief agencies established self-help cooperatives throughout the country. These Federal projects were not, of course, true cooperatives but were primarily manufacturing units manned by persons on relief for the production of goods to be used by other persons on relief. Still it was a real "production-for-use" enterprise, and it taught many the lessons of cooperation. More important, because of its long-time results, is the Government's sponsoring of true consumer co-ops in its Tennessee Valley project and throughout the country by its Department of Agriculture and its consumer divisions. Aside from the Cooperative League of the United States, the central organization of consumer cooperatives in America, the United States Government is the chief source of information about the movement. Secretary Wallace comes from Iowa, one of the strongholds of cooperation, both consumer and producer, and he has long been an advocate of the system. It is to his interest in cooperation that critics attribute the active sponsorship of co-ops by the Government.

But there are others in the official family who believe in the long-time effectiveness of the co-ops, and still others who see in cooperation a temporary and satisfactory answer for the present unrest of the electorate, particularly in the farm States. But whatever the reasons, the fact remains that the national Government has done important work in sponsoring the movement.

A bill was introduced at the present session of Congress which proposed to establish a revolving fund of $75,000,000 for consumer co-ops and credit unions. Another bill, and one which is reported to have Administration support, would permit duly organized co-ops to borrow funds from the Reconstruction Finance Corporation. Even the Wagner Housing Bill recognizes the possibilities of consumer cooperatives and authorizes the proposed Federal Housing Authority to build low-rent projects and lease them to cooperatives.

"LET'S BUILD OUR HOUSE OF BRICK"

—*The Morning Post, London*

"PROTECTED" BY HITLER

an unbiased account of a real experience

BY MRS.——.

EDITORIAL NOTE:—*The author of this article is a German woman of the upper middle class now residing in New York City. She has no desire to pose either as a martyr or as a crusader. She was prevailed upon by* Current History *to tell her story in order to give the American reader a true word-picture of conditions in Germany as she saw them. For obvious reasons, her identity is withheld, but careful investigation has convinced the editors that the story is authentic.*

MY HUSBAND is a Jew. We lived in the city of ———, where he had been established in business for twenty years. The year 1933 was a poor one. My husband's business began to fall off rapidly. It got very bad. Although everybody, including military and government officials, treated us very courteously, nobody would do any business with my husband. When there was no business at all, he left Germany. It was his idea to establish himself outside the country and return when things became more settled.

In the meanwhile, he left me alone in our house of twelve rooms. At that time we employed three servants. We owned property in the city and had made various investments. We thought it best that I should stay on in Germany to manage our affairs, at least during this very uncertain period.

The months passed. The future still seemed to us very uncertain. Finally, after much indecision, I determined to dispose of our holdings, if I could, and join my husband. During all these months nobody bothered or molested me. This was not surprising. I am not a Jewess. Neither my husband nor myself was ever active politically. We were not members of any party—just plain people, Germans, interested in our home and in our friends, of whom we had many.

One morning in the winter of 1935, two months before I was to leave Germany to join my husband, after having arranged with relatives to manage our still unsettled affairs, I received a letter demanding my appearance at the local headquarters of the secret police. The letter upset me. I showed it to a friend. I asked what it meant. My friend said I was unduly worried, that it meant nothing, that it was routine, mere formality, that Himmler's Secret State Police were questioning a great many people, but since I had done nothing, I had nothing to worry about.

The following morning at eight o'clock I went alone to the headquarters of the Secret Police, which were situated in an office building, and identified myself to a young officer in uniform who was sitting at a desk. He

said he was expecting me. It was too bad, he said, but he had to arrest me. I said there must be some mistake. No. He said there was no mistake, that he was informed I had been disobeying the laws and had offended the government. I asked what I had done. I was sure, I said, that I had not offended anyone. He said he was sorry, but the information against me had been found reliable, and for that reason he had no choice but to arrest me.

An officer accompanied me downstairs. He helped me into a motor car, and we drove to the local police jail, where they placed me in a cell alone. A guard brought me a bowl of thick soup, but I did not eat it. An hour passed. A guard came for me, handed me my pocketbook and took me outside to a police van in which there were already several women. They were prostitutes, and some of them had had too much to drink. They talked very loud, and all together, and their talk did not make very much sense. Finally, however, I understood from their talk where the van was taking us—to a court of inquiry. The girls were quite cheerful about it.

At the court the prostitutes had the preference. They were taken at once before the examining magistrate, while I waited on a bench in an ante-room until he had disposed of their cases. I did not see them again.

The magistrate was all right. He told me exactly what the young officer had told me earlier, and nothing else—that I had offended the government.

"Oh, no," I said. "That's not true. I have done nothing."

"Not true? What do you mean by that? Do you protest the charge?"

"I certainly do protest it."

"For what reason?"

"For the reason that I am not guilty," I said. "I have done absolutely nothing."

"All right," he said. "If you want to protest the charge, you can do it."

"I do protest it. I protest it now."

"That is your positive right," he said.

Then they took me away. There were other women waiting to be examined by the magistrate. Some said they were regularly employed in a factory and did not know what they had done to cause their arrest. But I remember, some time later, a prison guard told me it was very unusual for anyone to say he was guilty of anything.

They put us into another van, quite a few of us. We did not talk much together because of the guard who was riding with us. We rode for a long time—maybe an hour or even longer—and arrived finally at the —— prison, a place used exclusively for women prisoners.

As in the police jail, an attendant took my pocketbook from me and I was locked in a cell. An old lady guard, who treated me most kindly, took away my watch and my ring.

"Isn't it terrible," she said, looking admiringly at the ring, "the kind of people they bring here?"

There was a narrow iron bed in the cell, a basin, a pitcher of water and a box to be used as a lavatory. There was also the smell. The place was filthy. The old lady guard said the smell affected only those who were not used to it, that once you became accustomed to it, you would not mind any more. She said I could use all the water I wanted, since they refill the pitcher regularly once a day. The water was neither hot nor cold and was to be used for drinking and washing and for washing the dishes from which I ate.

How long, I wanted to know, would they keep me here? She could not tell me that. They kept some prisoners

longer than others. She said the prison was very crowded, with five or six women occupying one cell, and she could not understand why they put me in a cell by myself. I was indeed fortunate, but undoubtedly there would soon be others in with me, she said. They were bringing them into the prison pretty fast now, political prisoners mostly, although there was the usual number of ordinary criminals.

Communists Arrive

It was noisy most of the time with the tramping of many feet on the cement floors, the shouting of the guards and the loud talk of the women. It was worse at night when they brought in women suspected of being Communists. They were very rough with them, especially when the women refused to disclose the names of others who were really enemies of the German government. But the women didn't know anything, or else they were very stubborn about it. They would say nothing. Then they cried frightfully, and all during the night it was really terrible and hard to sleep.

The clanging of a bell at six o'clock in the morning was meant to wake us. It was not yet light at this hour and I dressed in my cell in the dark. I made up the bed, using the same dirty linen that had been used for the past several days and which also had been used, unwashed, by the prior occupant of the cell.

At eight o'clock the electric bulb overhead was switched on and a prisoner, possibly one who had already been tried and was sentenced, came to my cell with breakfast. This consisted of a substitute for coffee—water blackened from having been boiled with toasted corn—and a slice of hard, dry bread. I ate the bread and drank some water.

It was cold in the cell and there was no way to heat it. There was nothing to do. No one was allowed in to see me and, since my arrest twenty-four hours before, I had not been permitted to communicate with any one. There was nothing to read and they would not allow me to write letters. The only piece of furnishing in the cell other than what I have already mentioned was a bench. I walked back and forth in the cell, listened to the noise and tried to collect my thoughts to recall something I had done, perhaps unintentionally, to have caused my arrest. I could think of nothing.

During the morning for half an hour we were taken into the courtyard of the prison and allowed to run or walk about. However, we were not permitted to talk. At the noon hour they brought me a plate of cabbage and potatoes and a piece of hard, dry bread, but I ate only the bread. Once, in addition to the cabbage and potatoes, they gave me a bowl of lentil soup, but I did not drink it. For supper I had tea and bread and a kind of marmalade.

There was a shower bath in the prison. Women who had been there a week were permitted to use it and thereafter, I was told, they could use it once a week. But I never had occasion to take advantage of it, for a few days after my arrest, they remanded me to the local police jail. This was a much more habitable place. It was cleaner and the smell was not so bad. There were always a great many prisoners, men and women, coming in and going out. Even so, it was not so crowded. Again, I was placed in a cell alone.

The door was solid iron. A round peephole was cut in it, arranged in such a way that although a guard could look into the cell from the outside, it was impossible for me to see anything

from my side. High up in the wall was a narrow, iron-barred window, but very little light came through it. The cell was lighted by an electric bulb in the ceiling. The switch was located somewhere outside. During the night at various intervals the light was turned on and off.

The guards were men. They were all right; in fact, some of them were quite friendly. One explained to me why they kept turning on the lights during the night.

"We've had some that have tried to kill themselves," he said. "That's why we do it."

Still they allowed no one to visit me and I was not permitted to read or write. For the first few days, however, I had the privilege of buying extra food at the jail commissary. After a while the commissioner of the Secret State Police put a stop to it. All this time I was awaiting, as I thought, my trial.

The routine of the jail was not unlike that of the ——— prison. They woke us at the same hour. There was always a terrible noise in the morning, the men prisoners banging on the doors, fighting with the guards. Some of them did not want to get up.

The meals were brought into the cell. For breakfast they brought me the usual substitute for coffee, milk and marmalade. For dinner there was usually a thick vegetable soup, sometimes lentil soup, potatoes, either mashed or boiled, and once in a while cabbage or string beans, and a salad of lettuce. Once a week they gave me wurst and one meal of cod-fish. On the supper menu there was soup, also hot chocolate and several slices of bread. Perhaps twice a week, at noontime, they gave us beef.

For half an hour each morning and the same time each afternoon we were taken into the courtyard of the jail for exercise. We walked about but were not allowed to talk. High office buildings looked down on the yard, and during our recreation period office workers looked down at us through the open windows and mocked us, but we did not pay much attention to them.

After a week or two of this, with no word of when I might expect my trial, the commissioner of the Secret State Police allowed a friend to visit me. I was taken into a large room—the jail parlor—and, with a guard beside me, was permitted to talk to this friend and to receive fresh clothes after they had been carefully examined by the police. But even yet I was not permitted to write letters or to read books and papers.

I Go to Court

One day a guard appeared at my cell to take me to what he called a "court of interrogation." This was, as I understood, different from the original court of inquiry to which I had already been taken, but I did not exactly understand the difference. The guard was not at all talkative, and the most I could learn from him was that a judge wanted to interrogate me to see if there was any foundation to the accusations and then to determine if the charges should be dismissed as groundless or if I should be made to stand trial.

At the court my accuser appeared against me. I recognized him as an old man who on one pretext or another had tried unsuccessfully on various occasions to borrow considerable money from my husband. The judge asked this man to repeat his accusations, keeping in mind, of course, that whatever he said now he would be called upon to say again in court "when this person (indicating me) was placed on trial." My accuser was not put under

oath. He said that I had, in his hearing, given the people of the government the most horrible names, something which I never did in my life. It was a fantastic story.

The judge listened. He did not say very much. I denied the accusations absolutely. It was this man's story against mine. There were no other witnesses. The judge did not decide anything right away, and I was taken back to the jail to await his decision.

Since that time I have learned that very often when the court has freed people of similar accusations they were immediately rearrested by the Secret State Police and taken to concentration camps. In my own case, however, I was kept a prisoner in the police jail awaiting the decision of the judge. Officially that decision never came. But the court, as I have since learned upon indisputable authority, did not forget me entirely. The court wrote me a letter (or so I heard) which I never received, informing me that the charges against me were not to be pressed.

They Tell Me—Nothing

The weeks passed; three weeks, five weeks, and no word. Seven weeks, ten weeks, still no word. And the guards could not, or would not, tell me anything.

One morning about three o'clock a guard banged on my door, woke me, and told me to dress myself.

"You are getting out of here," he said. "You are going somewhere else."

"Where?" I asked.

"I can't tell you. I don't know."

He packed my things in a suitcase. In the main, big room of the jail they returned me my money and my watch and ring, which had followed me from the ——— prison to the jail. A police official said I must pay for the time I was in jail at the rate of 1 mark a day, except for those days when I had bought food at the jail commissary; for these days they would charge me only for the cell at the rate of 40 pfennigs a day. I paid the money. The police official said the government accepted this money only from the prisoners who could afford to pay for it.

There were a great many men prisoners leaving with me. Some were convicts. They wore yellow jackets. They were being transferred, as I understood, from one prison to another.

The guards brought us chocolate and a piece of hard bread smeared with margarine. I asked for a cup of tea. The guard looked sad. He said they had made only chocolate. I did not care for it, so I ate only the bread and margarine. Then each of us was given a loaf of bread and a piece of wurst, cheap wurst red with blood, and told us that this was to be our food for the day.

So with our bread and wurst and suitcases and bags the police lined us up, two by two. They marched us outside to a van. We were driven to the railway station. About twenty-five police armed with guns were on the platform waiting for us. There were also a few curious people standing about. We were placed in a prison car.

The train made many stops. At each station they either dropped off some of the prisoners or took on others. The trip lasted about twelve hours. Four women, besides myself, were taken out of the car to a waiting bus. Two of them were avowed Communists. In the prison car there had also been other women Communists who had been so outspoken about the Hitler Government that they were being taken into penal servitude. The Communist women in our group, it seemed to me, were outspoken enough. One of them hoped that they "wouldn't be away" very long.

"Four or five years," her companion said cheerfully.

"Not that long," said the first woman. "Hitler won't last that long."

A police guard drove the bus. We travelled over a good road through flat farming country for about two miles until we came to a wire fence, at the gate of which stood an armed guard. He let the bus pass without any waiting.

The bus deposited us in front of a large brick house. There were other houses of the same plain block design built around this one big house, which was the main building of the group.

At the "Camp"

An old lady, the head of the women guards, of which there were five to every hundred prisoners, met us at the door and led us into a room on the first floor of the main building. She wanted to know where each of us had come from, writing the answers down on a card, and then she asked if we had any cigarettes, since smoking was not allowed at the camp. None of us did. She took us then into a large room on the ground floor where the other prisoners, about forty women, were sitting about, knitting and sewing. One of them, about fifty-five years of age, greeted us on behalf of all the women. She said it was not very bad at the camp, that they treated you all right. She showed us where to put our suitcases and personal belongings. Then she brought us some coffee which was not very bad. The other women were not as sociable though there were those among them who were curious and anxious for news from the outside, in spite of the fact that they were allowed to read books and papers and periodicals.

There were many Jewesses, most of whom had managed to get out of Germany and had actually obtained positions either in France or Belgium but without the permission of either respective government. So they were made to give up their work and to return to Germany where they were arrested. The women who had been working in France were especially bitter against that Government.

From the way these women talked, I understood the unemployment situation in France, for example, to be such that emigrants from the Reich were not allowed to hold jobs except by special permission of the French government. Some of them said they could have remained at work in France, even without official permission, if they had had the money to pay graft to some petty officials who had actually asked them for it. But they could not pay the graft, they said, because they did not have the money and as a result were reported to responsible government officials.

The sleeping rooms in the main building were all situated on the upper floors. One room alone was large enough to accommodate about 140 women, although all the rooms were not of this great size. The beds were of white metal fitted with straw mattresses. The linen was clean. Each bed had a pillow, but I had brought my own. There was no heat in the sleeping rooms, although there was a stove in the rooms that were occupied by women who were sick.

In the mornings especially, when the bell rang at six o'clock to wake us, it was very cold. But after a while one became used to dressing in the cold. Then we made our beds and took turns cleaning and sweeping the room, four or five of us working together.

The washroom was on the same floor. It was a large room with a number of basins and faucets. We washed in cold water, the only kind available,

although on occasion it was permissible to get a little hot water in a bucket with which to bathe.

Breakfast, as all other meals, was eaten in the large room on the ground floor where I had first met all the women—the same room in which the lockers were located. We served ourselves, standing in line until we came to the coffee pot where we poured our own coffee and took our share of bread—a slice or two—and helped ourselves to the margarine and the pork fat which was good on bread. Then we washed the dishes. There was always enough hot water for that.

Our daily work did not vary. We sewed men's shirts, or made pillow cases, knitted stockings and sewed buttons. The work was never finished; more shirts, more pillow cases, more stockings to be knitted, more buttons to be sewed on. It was all for the government, maybe for prisons, possibly for soldiers. I don't know and they never told us.

We worked in the large room on the ground floor. The windows were barred. There was no carpet on the floor. But there were many tables and many chairs with and without backs.

During the morning we had an hour for recreation. Then we were allowed to go outside. We could walk about or exercise, or just sit down and look out over the countryside. In the afternoons sometimes we had another hour of leisure, which was especially welcome in the summer months when the weather was nice and we could be lazy, under the guard's watchful eye, for sixty minutes together. But we usually spent this additional hour doing our own personal mending or in writing letters, which was permitted, although of course the letters were read first by the officials before they were mailed.

There was a library in the camp. There were some novels and a great quantity of National Socialist literature. The guards were very happy when any of the women were stupid enough to ask for this literature. Some of these women, however, were not stupid at all; they merely asked for it to make a good impression on the guards, but they did not read it.

We were allowed to receive money. I bought my own soap, as well as butter and eggs and fruit. The women who could afford it also bought their own coffee. Sometimes I bought that too, but it was very expensive, three marks or more a pound. The coffee at the camp was neither better nor worse than was to be found in all parts of Germany.

During the summer months we were asked if we wanted to work in the fields. Some of the women did it. They were given more food than the rest of us who did not care for that particular kind of work.

After supper, dishes were washed and our day was done. We were in bed at eight-thirty in the evening.

There were all kinds and classes of women in the camp—not only political prisoners. There were thieves and also some prostitutes. There were many factory workers, but they were mostly political prisoners.

"Heil Hitler!"

In the main room where we worked there was a radio. When any high government official spoke we all had to listen, and to be quiet and respectful during the speech. We could also listen to music while we worked which was quite restful.

In the mornings when we filed down to breakfast, and five or six times during the day when we passed a guard, we had to salute and say "Heil Hitler."

Most of the women did this without

any protest but some refused absolutely. They were members of a religious sect, "Witnesses of Jehovah." They said repeatedly that the government was the work of the devil and refused to say "Heil Hitler," on the grounds that such words are not in the Bible. The guards were annoyed with them at first, but they could do nothing about it because of the stubbornness of the women. After a while the guards let them alone. They looked upon these women as absolute fanatics.

More and more women were brought into the camp, until there came to be several hundred of us. Another building had to be opened up; they brought more guards. The prisoners were of all kinds—Jewesses, Socialists, Communists and others. There were also many young girls, the Rasseschander, charged with disgracing the race. They had either expressed the desire or indicated the intention of marrying Jews, though some of them had not even gone that far. They had merely said "Hello" or "Goodbye" to some Jewish friend in the street or at some public place and were immediately arrested by a Black Shirt or a member of the Secret Police.

The younger women usually came into the camp weeping. They said they were afraid of the concentration camp because of the rough treatment they would have. Women Communists, who had children under fourteen years of age, had their children taken from them. The youngsters were sent to an orphanage and the mothers were told that the children would be brought up to have proper respect for Nazism.

The poor prisoners were jealous of those who had money. There was a great deal of ugliness against the Jewish ladies. The people really came to believe that the Jews were the root of all evil in Germany. Most of the women prisoners in the camp actually thought it was because of the Jews that Germany lost the war. They said this openly to the Jewish women. The guards did not allow any fighting or quarreling among the prisoners, but then the guards were not always there. I felt sorry for the Jewish women.

Sometimes members of the Secret State Police visited the camp. They had their sadistic pleasures in questioning the women. They would pick out one woman—any one at all—and accuse her of being a Communist. If she denied it, they would call her a liar and laugh, asking her why she lied and why she was afraid to speak up loudly and boldly. The woman would be so badly frightened that she could hardly answer.

One day, when I had been in the camp about half a year without having received any word regarding the accusations against me, the old lady, who was the head guard, came to me and said:

"You can pack now; you can leave."

I was taken before the director of the camp.

"When you get out of here," he said, "you must remember that you are not allowed to say anything about this place —not a single word."

He handed me a paper, printed in purple ink, and said that I must sign it. I signed the paper, which was my written promise.

"If at any time you feel that you are not secure," he added, "you must tell the Secret Police about it, and no matter where you are they will see to it that you will be taken back into protective custody."

He said one thing more: "The orders are that you must leave Germany."

From the camp I returned to the city of————— which had been my home. I said good-bye to my friends. The next day I crossed the border.

PUERTO RICO'S PLIGHT

Poverty, agitation, murder, and a bill to relinquish the "Forgotten Territory"

BY MURRAY PADDACK

HURRICANE and murder, angry elements and political fanatics alone seem destined to lift from Puerto Rico the veil of disinterest and oblivion which screens the Island from the mainland of the United States. It is the Forgotten Territory, until calamity of one sort or other fires its name into our headlines. And then again—oblivion.

From such an event the Tydings Bill, providing for Puerto Rico's independence, apparently has issued. Guns barked at a United States official, fired by incendiary Island patriots. And without many persons suspecting that such a move was even contemplated, the United States suddenly announces that it is ready to relinquish the Territory.

The bill provides for a referendum in which the Islanders may vote on independence. Introduced by Senator Millard F. Tydings (D) of Maryland, chairman of the Senate Committee on Territories and Insular Affairs, it is supposed to bear Administration approval. It stipulates a four-year period of commonwealth status before the granting of full independence. Significant is the further provision for the assessment against Puerto Rican products of a duty equal to 25 percent of the American tariff rate, during the second year of the commonwealth. It would be 50 percent in the third year and in the fourth, 75 percent. Then with full independence would come full American tariff rates, barring some special agreement, and in addition, Puerto Ricans would be shut out from the United States under immigration statutes.

It is easy to see why from thoughtful Puerto Ricans themselves should come an instantaneous cry of protest. It is less easy to perceive whatever strategy may be behind the measure which evoked it. In the background is the picture of a clamorous minority in a plea for independence—frequent outbursts, petty annoyances, murder. It is suggested that perhaps the United States does not wish to grant Puerto Rico what some believe would prove a ruinous "liberty"—that the move is intended simply to frighten agitators into silence. But on the other hand, it is asked, what, if by some strange intervention, the Puerto Ricans actually should vote for independence?

From Puerto Rican Senator Martinez Nadal came the comment that if the murder of Colonel E. Francis Riggs, Chief of Insular Police, on February 23, had produced the independence bill, then the assassination in Puerto Rico of three or four more officials would insure the Island's

independence within twenty-hour hours.

It is not my intention here to condone the killing which was tragic and shocking. It is my purpose to give a fuller account of the affair, of attendant incidents, of characters and background and of underlying issues involved, than has heretofore been imparted to readers and hearers of the news in this country. For a four months' sojourn on the island during the past winter—a period which included the time of the murder—has convinced me that Puerto Rico's reputation should not be made to suffer more through the radical aspirations and activities of a very small and ignorant minority.

Thirteen Cents An Hour

First, a brief sketch of the present economic and political background of Puerto Rico: Industry, as we know it in the States, is almost non-existent. Needlework production within the past few years has come to be the leading "industry". Its largest center is in the city of Mayaguez and it is owned by a group of outsiders in the States. The trade employs, of course, a mere fraction of the island's million and a half of population, but its financial returns to the workers is somewhat higher than in most other fields. It pays men an average of $9.66 a week and women, $3.02. The figures are from a 1935 statistical publication of the Puerto Rican Department of Labor.

From the same source, an idea of other forms of employment and their wage rates may be gleaned. A man in the building trade receives from 13 to 14 cents an hour—in some instances, considerably less.

Wharf workers average $4.20 a week. Their employment, as well as that in many other lines, is irregular.

The tobacco business, which likewise to a great extent is in the hands of continental Americans and corporations, pays men an average of $5.39 and women $2.98 a week for stripping tobacco.

In the sugar mills—the "industrial" phase of sugar production—the workers receive $9.04.

Outside of the foregoing forms of employment, there is little else in the Island's commerce that can be similarly classed. Furniture manufacture has made some advance and there are large numbers of stores, in the towns and cities, most of them small and scarcely self-sustaining, where the products of this industry are offered for sale. Likewise in the cities and towns are innumerable small food shops and stands where a penny's worth of this or of that is the typical transaction. There are countless men and women who somehow eke out an existence by vending from baskets and hand-carts a variety of commodities, from oranges to cheap shoes. And there are those, even more numerous, ranging in age from eight to eighty, who subsist on the microscopic commissions resulting from the sale of Puerto Rican lottery tickets.

All these, be it remembered, represent only a portion of the employable persons among the poorer classes in Puerto Rico. Large numbers are simply idle, and usually through no fault of their own. They live a catch-as-catch-can existence in crowded, unsanitary and miserable quarters in the towns and cities. On the outskirts of San Juan, for example, may be seen large colonies of ramshackle houses, many of them raised up on spindly supports above water that still lies in sheets on land recently reclaimed.

Little Huts Scattered About . . .

As compared with these impoverished city dwellers, the poor of the country sections present a far less dis-

tressful appearance. Their houses may not be structurally superior to those of their city cousins but at least the little huts are scattered about the farms which their inhabitants work. The rural portions of Puerto Rico are amazingly populated. It is common to find as many as two dozen families living on one "cinca" and working the land for little else than the tenancy of the houses and the fragments of adjoining land. For, needless to say, not a potful of the earth belongs to them. It belongs to large landholders, some native, some continental American, and to foreign corporations.

The country workers, of course, receive some pay for their dawn-to-dark days under the tropical sun. As typical figures, likewise taken from the Department of Labor, the following may be quoted: For coffee-planting, men receive $2.12 a week; women, $1.61. For fruit-planting, men receive $2.93; women, 70¢. Cane-planting makes a somewhat better showing. For this work, men receive $4.44 a week and women, $2.99.

And Food Costs Money

In the midst of figures like these, the report proceeds to state that conditions, during the year therein surveyed, were worse than in the previous similar term. The cost of food alone, for an agricultural worker supporting a family of five, was calculated at $17.50 a week. The difference between this and the foregoing earnings needs no comment. It is most fortunate that the sunshine in Puerto Rico is so plenteous. This is the only thing the poor possess in abundance.

To complete the economic picture very briefly, it may be said that the middle class in Puerto Rico, which comprises the greatest number of the island's finest and most representative people, has an income rate for the most part lower than that of the same class in the States. These are the teachers, the small business men, clerks and agents. Up to the present time, the professional men—doctors and lawyers—have fared financially somewhat better than the foregoing, but these fields, too, are beginning to be overcrowded in the same manner as in the States.

The rich of Puerto Rico are a mere handful. For the most part, they are the large landowners, sugar producers, owners of "centrals" or sugar factories. The latter establishments, with the other chief monopolies of power and transportation, are controlled mainly by American and foreign corporations. Concentration of wealth in the island appears to be more marked and of greater evil effect at the present time than on the mainland.

Wild Aspiration

It would seem on the surface that the time was indeed ripe for rebellion. The poor, the great majority, have been poor for centuries. Time has not materially bettered their condition, nor does such improvement seem likely with population increase and economic stringency both working strongly against it. Add to that melancholy reports of American activities on the Island—the workings of selfish politicians and of sometimes more selfish private enterprisers. And then the appeals of agitators crying for independence, demanding the expulsion of Americans. It is not surprising that radical urgings should find some listeners, that certain sources should see cause for alarm.

But reports have been exaggerated. To attribute to the Island's truly representative class the wild aspirations of a fanatic-led minority would be a serious mistake. Ninety-nine percent of the intelligent citizens of the Island

are immune to these extravagant utterances. Far from seeking independence for the Island, they are keenly aware of its dangers. They know, for instance, that independence and the attendant tariff on sugar, which is Puerto Rico's main means of livelihood, would spell speedy economic ruination, since Cuba's natural advantages in sugar would render Puerto Rican competition impossible.

This is not to presume the perfect satisfaction of the Island's more intelligent. They, too, are aware of certain abuses; they, too, are sensitive of Washington's disregard, of lack of sufficient representation at the Capital, of untoward ambition in public officials and of exploitation by private enterprise. However, reform, not independence, is their objective.

Campos Was Insulted

"Independence" originates with the so-called Nationalist Party—smallest of the many political groups which recruit their members largely from the poor. There are Liberals, Socialists, Republicans, to name a few. But from the Nationalist Party with only about five thousand members has come the recent trouble to disturb the Island.

Albizu Campos is the name of its leader. A mulatto, he was educated at Harvard and became a lawyer. When the World War came, he was commissioned to a Negro company by the United States Army. And there, so the story goes, was the beginning. Campos felt racially outraged. Campos could never forgive America and Americans for the "insult".

The Nationalists are Campos' absolute subjects. Back in the central hills of the Island, he has his headquarters and even a cabinet, including, it is said, a secretary of war and a navy! He calls himself "President of the Republic of Puerto Rico."

For the most part, Campos' followers are young men. He rouses them to a fanatical pitch of "patriotism" and occasionally to violent deeds in its interest, by promising them immunity from conviction at least in the lower insular courts. Unfortunately, this promise has more than once been realized through political maneuvering or play upon anti-American prejudice. In addition, the excited and ignorant henchmen selected by Campos for "special duty" are given the prospect of high office and political reward when the "Republic of Puerto Rico" shall have been made a reality.

Col. Riggs Is Murdered

Last fall, Campos made public some highly derogatory, in fact, highly insulting, statement concerning the students of the University of Puerto Rico, at Rio Piedras. The students, greatly incensed, determined to hold an assembly for the purpose of declaring Campos to be "persona non grata." Campos got wind of the projected meeting and made known his intention of breaking it up.

So on the day of the assembly, October 24, the Insular Police, under order of Colonel Riggs, patrolled the neighborhood. A suspicious-looking car was stopped by the police and was found to be carrying, besides a group of Nationalists, a supply of firearms and tear-gas bombs. Words and gestures led inevitably to an encounter between the police and the Nationalists; four of the latter were killed. Afterwards, Campos and his followers promised to "get" Colonel Riggs.

Some months later, on Sunday, February 23, the return blow was struck. Press and radio in the States featured news of the assassination of Colonel Riggs by two young Nationalists. One of them, having shortly before emptied his revolver upon his victim, stood

head erect before the news cameras and saluted, dedicating himself thus to the false and fantastic spirit of "freedom" which Campos had created. Shortly after the deed, the two assassins were themselves riddled with bullets in the police "cuartel" where they had been taken under arrest. It was alleged that they had made a break for some firearms.

Steps Toward Reprisal

In the early part of March, the Federal Government, through the district attorney's office in San Juan, finally—and it would seem belatedly—began moves to deal with Campos. If such action could have been instituted earlier, then the delay was most unfortunate, for it is generally recognized that the Nationalist Party, without its leader, would be paralyzed at its main nerve center. At any rate, preliminary steps have been taken and the charges against Campos are the promotion of the overthrow of the Government and the recruiting of men for this purpose. Further delays have already set in, however, and the ultimate outcome of the proceeding appears to be in considerable doubt. This is so, first, because of difficulty in proving the charges brought; second, because of anti-American feeling; and finally, because of the absence of judicial precedent in the case, since this is the first of its kind to be instituted on the Island. It is sincerely to be hoped, however, that Campos will be removed from the insular scene for some few years, at least; for his spirit, his words, his deeds are the unsavory yeast that permeates many a poor man's loaf in Puerto Rico.

Relief

We might ask at this point, what is the Federal Government doing to ameliórate general conditions on the Island? For a few years, it has been spending very large sums of money there for relief and for the creation of employment. The Government agencies, as in the States, have muddled along, accompanied by waste, and inefficiency so that any good results of an open-handed beneficence to a great extent have been nullified by further Puerto Rican reaction to American political methods. For example, last fall the insular bar raised public protest against the Federal Government's practice of importing continental lawyers when there were plenty of local attorneys to do the work. And to mention an instance of governmental loss of motion, finances and public respect, for a long time the operations of the Federal Emergency Relief Administration and those of the later organization, the Puerto Rico Reconstruction Administration, overlapped and repeated in a decidedly obvious manner.

In justification of Government efforts, however, it should be said that many of the problems, particularly those posed by dealing with a different race and language, have been unique and difficult. One of the main projects is especially commendable and deserving of success. This is the plan of returning to the natives at least some of the land which through the years has been absorbed by American and foreign bank and business corporations. For this purpose, an old local law, forbidding the ownership by one individual (or corporation) of more than five hundred acres of land, has been invoked. The large land-owning groups, which are for the most part engaged in sugar production, are of course employing expert legal assistance to defeat the project. But the project is a step in the right direction, and there are other fields, such as rehousing in slum districts, and road

building, in which some meritorious work has been accomplished.

Sympathetic Understanding

What Puerto Rico needs most of all, is to be dealt with understandingly and sympathetically. The very attitude of some continental Americans, combining a certain superior swagger with a faint scorn of Puerto Rican customs, is, of course, a basic mistake. In view of the examples given there of American "efficiency", the attitude is more than normally unjustified. Then, as previously brought out, what will do most toward promoting better spirit and conditions on the Island is a thorough reformation of Washington's political regard.

For Puerto Rico deserves to be cherished and appreciated. It is a beautiful and delightful place, full of color and light and set in the bluest of seas. Its climate approaches the ideal. Its scenery is lovely and varied, from the stretching fields of cane to the little conical hills, violet in the distance; and from these, to the great green-brown and softly-shadowed eminences farther inland, with sweeping valleys between; and to the rocky heights of the central mountains, where the road loops upon itself among the crags and gorges.

Puerto Rico's representative people, still more, deserve to be better known and appreciated. They are a direct and living link with old-world culture and tradition. Here are names and families that carry back through the years to the far-flung Spain of four centuries ago. Here are people interesting, vivacious, hospitable, preserving a rich language and a history close to the discovery and development of the Western World. And here, on their Island, are the monuments of their Spanish forebears — churches, fortresses, bridges, roads—that typify and vivify that history.

Puerto Rico represents an extremely interesting element in our national make-up, but it has yet to be truly appreciated. The United States' regime in the Island has not, thus far, proved itself an unalloyed blessing. It has changed some of the material and some of the immaterial features of the place. But that is not to say that all the changes have been for the good. By and large, America's presence in Puerto Rico has yet to justify itself.

INDIA'S UNTOUCHABLES

What it means to be one, and three ways out

BY GORDON B. HALSTEAD

THE sweeping spotlight of the world press suddenly and dramatically focused for a moment in February on North India's historic city of Lucknow. Here representatives of India's forty-three million Hindu untouchables were gathered (so ran the dispatch) to consider the renunciation en masse of their ancient faith and affiliation in favor of any other religion that would accord them a just and equal social status. One radio news commentator announced that India was on the verge of the greatest social upheaval in all history.

As is the case so often with news from India, both the dispatch and the commentator had greatly exaggerated the facts. But they brought once again to Occidental readers the bewildering but nevetheless fascinating problem of India's untouchability. Consequently it affords an appropriate opportunity to seek a broader understanding of these untouchables, to delve into their past origins, to survey their disabilities and to view the various roads to freedom, real or illusory, now opening more fully before them.

This strange institution of Hindu society always interests, but puzzles, the Occidental mind, which continually asks, What are the origins of these untouchables? or, Why were people "outcaste"? We seek and find the first part of an answer to these questions far off in the early dawn of ancient Hindu society; in the attitudes and practices of racial purity on the part of the Aryan invaders of the Indian peninsula. Thus the first major origin of the untouchables is found in a social factor very, very old indeed, but likewise very modern, to which the race policies of Hitler and his associates bear striking evidence. A young Indian scholar recently noted, with some irony:

"In all probability it [untouchability] had its rise in race exclusiveness, and perhaps we can understand something of its origin when we study such phenomena of race segregation as are seen in Africa and America, where the black and white meet. Color prejudice is the sin of the white man—the Aryan—more than any other man, and the Aryans in ancient India raised this bar of untouchability against the darker races of the country."

Deep in its past there lived in India these dark-skinned Dravidians. Then in one of those periodic floods of northern barbarism, so characteristic of early times, there swept down upon these Dravidians through the romantic Kyber Pass great waves of Aryan migrations. We are led to believe they brought with them at least the germs of the caste system.

This Aryan society, in common with other early societies, was dominated by the priestly class or caste. India, unlike other civilizations, never

completely shook off this priestly domination, a fact fundamental to an understanding of modern India. Originally, according to the sacred Vedas, there were four main caste groups: the Brahmans, the Kshatriyas, the Vaishyas and the Sudras. Logically and conveniently, the Brahmans, or priests and teachers, occupied the top rung of the social ladder. On the next rung was the Kshatriya caste, consisting of those performing warrior and governing functions. Below them came the Vaishya, or merchants and traders. Symbolically, on the lowest rung were the Sudras, the masses who tilled the soil and did the spadework of society.

Now it has ever been a characteristic of a conquering race either to enslave or to kill off large numbers of the conquered. The Aryan invaders of India did neither. Ingeniously they out-caste them, that is, refused them a place within the traditional four castes. They made them untouchables — in effect, unapproachables. But, lest we arrive at a too hasty judgment of these early Hindus, let me quote my young Indian friend again:

"Extremely evil as it is, in some respects untouchability has saved the untouchables from much of the harm that the white races have inflicted upon the colored races in both Africa and America. . . . It has saved India from the awful evil of lynching. You have to touch a man before you lynch him."

Hygiene as a Basis

Remarkably mature and advanced ideas and practices of hygiene and sanitation of the early Hindus offer the second major historical cause of untouchability. This ancient people evidently realized that disease was connected with certain types of occupations, with unclean eating or living habits, and carelessness with regard to drinking water. Accordingly, those following occupations considered "unclean," or exhibiting tabooed eating and living habits were made untouchables. Manu, a kind of Indian Moses, partly historical and partly mythical, perhaps a creation of the priestly caste, is given the credit (or blame) for meticulously codifying caste regulations and duties, and carefully specifying detailed provision for preventing uncleanliness and contact with unclean people. The Code of Manu still plays a vital rôle in the social life of India. Disapproved habits of eating and living include insufficient care about drinking water, indiscriminate sharing of the hukkah (water pipe), and eating the flesh of most mammals. Those following occupations traditionally considered sources of contamination are, among others, leather workers, scavengers, sweepers, barbers, washermen, and, in some instances, certain types of musicians, particularly drummers (because of the composition of the drum head) and those playing wind instruments. The latter are accounted unclean because of the very strong feeling regarding mucous discharges.

"Castes" Within Castes

The third major origin of the outcastes, and one which by its very nature is continuous, is that resulting from the violation of the numerous caste rules, particularly those fundamental bulwarks of caste, marriage, and dining restrictions.

At this point let me hasten to correct a widespread misconception in the minds of most Westerners about the outcastes. To the former, the term "untouchable" or "outcaste" implies a group of Indians socially excluded from intimate contact with a caste majority, yet being themselves definitely united and democratic. Nothing could be further from the

truth. In reality, the outcastes are very much in caste. Along with most other elements from the dominant ancient Hindu social pattern, they have borrowed the caste system. Consequently, caste mentality definitely dominates the outcastes! Thus, outcaste leather workers who themselves rank quite low in the social scale of untouchability would not, traditionally, think of sharing wells, inter-dining or intermarrying with members of the sweeper castes, who rank even lower. And so it goes on, almost ad infinitum.

Social and Trade Restrictions

Just what does it mean to be an untouchable? If you were to find yourself reborn a Hindu outcaste, under what disabilities and inconveniences would you labor? It is always dangerous to generalize about social institutions and problems, and even more so when dealing with one as complex as that under discussion. The treatment accorded you in one section of India would not be the same in others. Likewise, disabilities that prevailed almost universally yesterday, so to speak, are today largely non-existent. Modern world forces are rapidly reshaping the face of untouchability, and it might be well to point out that in spite of the restrictions which I shall indicate, thousands of untouchables have risen to positions of great social prestige and wealth. Down through the years, particularly during the last century, members of the depressed classes (a recent synonym for untouchables), have become lawyers, doctors, teachers, representatives in the national and provincial legislatures, famous athletes and prosperous business men. However, aware of the pitfalls of generalization, let us survey the disabilities laid upon the outcastes traditionally.

In general, eight types of social practices and attitudes combine to work varying degrees of hardship upon the untouchables. These include residential segregation, limitation upon the use of certain roads (particularly those passing certain temples or going through Brahman quarters), prohibitions on entering high caste temples, restrictions on production and trading rights, personal service deprivations, difficulties in attaining water, denial or curtailment of school rights, and the enforcement of attitudes of inferiority or of a slave mentality. Invariably, in the villages of India one finds the outcastes living apart from the houses of the caste Hindus. In sections of southern India, they often constitute practically separate villages.

Former limitations upon the use of roads have now been considerably altered, either by the building of alternate roads or, as in most cases, the opening of all roads. It is interesting to note that this particular disability brought one of Gandhi's first tests of the power of organized non-violent coercion. From a hospital, where he was recovering from an operation, he directed a campaign to open a public road which passed a famous old Hindu temple in Vaikam. For many weeks representatives of the untouchables and of the Brahmans faced each other across a barrier in the road. When the monsoon burst, the road was so flooded that the untouchables were in water up to their shoulders. (The Brahmans and police had obtained boats.) Ultimately, the self-suffering of the untouchables and their friends had its reward. The road was opened, and not only that one in Vaikam, but those all over Travancore.

Restrictions upon trading rights operate against outcastes as producers, sellers and consumers. Obviously, many occupations are definitely closed to them. I experienced the consumer difficulties of an untouchable on one

occasion when in Hardwar, an ancient pilgrimage center of north India. I had tramped wearily about the town for some time seeking a restaurant that would serve outcastes, for among very orthodox Hindus foreigners are classed as such. Finally I came upon a shop that was willing to serve me, provided I remained out in the street and caught the food as it was tossed to me. Needless to say, I continued my search. Many untouchables suffer such treatment and difficulties at caste shops of all types.

Although in most villages of India there are barbers, washermen, and tailors serving the untouchables exclusively (and having a very inferior status for so doing), nevertheless under the mobility created by the industrialization and introduction of modern means of transportation into India, many untouchables experience real hardships in obtaining these personal services. As groups of untouchables venture from their traditional villages to new ones or to rapidly growing industrial areas, they may not readily find barbers, washermen and others who will serve them.

Among the most burdensome and severe of the disabilities are those incurred in getting water, and in receiving an adequate education. Because water is considered such a highly dangerous source of disease and contamination, the wells of the outcastes must be removed as far as possible from those of the castes, especially those of the Brahmans. This occasions considerable inconvenience, for often untouchables have to carry their water a half mile or more, even though there may be a well within one hundred yards or less of their homes.

Education

Much progress has been made in late years in the education of the untouchables. Schools created especially for their education have been established by Indian social reform organizations, foreign missionary societies and Government agencies. Again, more and more untouchables are being admitted to the regular public, semi-public and even private schools. Formerly this was impossible. However, there is still much ground to be covered before this disability is completely removed. An extreme case recently reported in the Nasik District serves as an illustration: An outcaste boy was seen sitting on a platform erected beside the school building, for class was held in an upper room. The teacher occasionally leaned out the window to give him instruction. On rainy days he had to go home, since no protection from the weather was afforded.

Psychologically and sociologically, the most difficult problem presented by untouchability is the slave mentality or inferiority complex it usually fosters. All the other disabilities listed might conceivably be removed at one stroke, but it will take many years of very effective education before the untouchables themselves feel and act equal to all others in fundamental civil, educational and legal opportunities and privileges.

The outcaste group is usually identified in the Western mind with conditions of indescribable poverty. Unquestionably, the vast majority are intensely poor—although here again it is dangerous to generalize, for the economic status varies widely. But if most of them are very poor, so are the Indian masses, caste as well as outcaste. They have been the common victims of the impoverishment resulting from decades of foreign exploitation. Likewise, they will gain immeasurably from the improvement of India's economic conditions, a fact recognized by Gandhi

and other leaders, but about which they feel little can be done as long as India is a subject nation.

Paths to Freedom

Three paths to freedom from past and present restrictions of untouchability are proposed by those who claim to have the interests of the untouchables at heart. The first, but by no means the most popular or significant, is the one already alluded to in this article—that the untouchables shall renounce en masse the Hindu faith and accept some other religion. A return to the former Government-inspired policy of separate political representation as a community in the various provincial legislatures and in the National Legislative Assembly comprises a second but questionable road. Gandhi and the powerful Indian National Congress, along with the vast majority of Indian social reformers and indigenous social reform organizations, favor the third road. It leads to the abolition of untouchability through the medium of mass education, the voluntary and willing removal by caste Hindus themselves of the disabilities affecting the untouchables, and the improvement of their economic conditions through the bettering of those of India's masses, both caste and outcaste.

Dr. Ambedkar, an American-educated (Columbia University) untouchable and a Government nominee to the Round Table Conference of 1931, has identified himself with the first two paths. Knowledge of Dr. Ambedkar's past relationships to the British Goverment is of considerable importance for those who may wish to note the present policies of Government in respect to the future status of the untouchable community. The ultimate solution of a social problem touching the lives of 43 million Hindus cannot be viewed with unconcern by a Government whose interests too often have coincided with the continuing disunity of India's various religious communities.

Conversion

It was Dr. Ambedkar who caused considerable consternation in the rapidly dwindling ranks of Hindu orthodoxy last fall with the declaration that while he had the misfortune to have been born a Hindu, he would not die a Hindu. Accordingly, he recommended that all untouchables make a similar resolve. Dr. Ambedkar made this statement as president of a provincial depressed-classes conference—a conference of untouchables, but definitely not representative of the mass of them, who are not yet organized.

Although Dr. Ambedkar's meeting passed a resolution asking the untouchables to sever themselves from Hinduism, it refrained from mentioning the names of any faiths that might be embraced. Subsequently, an all-India conference was held in Lucknow in February, supposedly to consider the question of the new faith. The question remains unanswered, and if I may venture a prediction, it will remain so for some time—perhaps indefinitely.

Group or mass renunciation of Hinduism by untouchables and subsequent conversion to another faith is by no means a new idea in India. Sufficient experience has been had with such a phenomena during many decades to arrive safely at some definite conclusions. An authoritative study of Christian mass movements, painstakingly made over a period of two years (1930-1931) by a competent group of scholars under the direction of Dr. Wascom Pickett, affords conclusive evidence that mere conversion to Christianity does not remove the disabilities of untouchable converts. In

fact the published report of the study goes even further, saying:

"The process of liberation [from untouchability] is not helped, but is hindered, by the claim that the mere public profession of Christianity is sufficient to effect immediate removal from the ranks of the depressed."

Even more recent evidence of the illusory character of conversion as an escape from untouchability is found in a speech made last November by Dr. S. C. Chatterjee, President of Christ's Church College, Cawnpore, India. He said: "In the United Provinces out of a total Indian Christian population of 173,000, over 125,000 are village Christians belonging to the untouchable classes, and their lot is as pitiable as that of the classes from which they have come into the Christian fold. In many places they are denied the elementary human rights to draw water from public wells, their children are not allowed to attend public schools and their acceptance of the Christian faith has resulted in additional economic and social disabilities being imposed on them.

Embracing Islam has been equally unsuccessful as an attempt to lift restrictions, it has been shown.

Separate Representation

Mahatma Gandhi at the 1931 London Round Table Conference forcefully pleaded the case of Indian nationalism against the Government inspired policy of "separate electoral" representation of the untouchables in the provincial and national legislatures. In part he said:

"It [separate representation] means perpetual bar sinister. I would not sell the vital interest of the untouchables even for the sake of winning the freedom of India. . . . And I would work from one end of India to the other to tell the untouchables that separate electorates and separate reservation is not the way to remove this bar sinister. Let this Committee [Minority Committee] and let the whole world know that today there is a body of Hindu reformers who feel that untouchability is the shame, not of the untouchables, but of orthodox Hinduism, and they are, therefore, pledged to remove this blot. . . . We do not want on our register and on our census, untouchables classified as a separate class. Sikhs may remain as such in perpetuity, so may Moslems, so may Europeans. Would untouchables remain untouchables in perpetuity. I would far rather that Hinduism died than untouchability lived. Therefore, with all my regard for Dr. Ambedkar and for his desire to see the untouchables uplifted. . . . I must say that here is a great error under which he has laboured. . . . Therefore, I want to say with all the emphasis that I can command that if I was the only person to resist this thing, I would resist it with my life."

The logic of this appeal seems irrefutable, if viewed from the perspective of the national interests of India. Gandhi, and the vast majority of Indian leaders, do not intend that these religious differences, which have already been intensified by foreign rule, shall be further widened or multiplied by according them permanent political recognition and status.

It was this policy of separate electoral representation of the untouchables as embodied in the final results of the Round Table Conference that precipitated Gandhi's famous "fast unto death" of September 1932. As a result of this fast, the original policy was radically altered so that at present the untouchables are guaranteed seats in the legislatures, but their representatives are elected by the general Hindu electorate. This is regarded by Indian

nationalist leaders as a definite step forward and they will resist vigorously any attempts to return to the former method.

Third Road

The third road to freedom, calling upon untouchables to join hands with high caste in the fundamental task of abolishing untouchability through mass education and reorientation and the reconstruction of their national economic life, appears to be the only road promising emancipation without sacrificing the ultimate unity of India.

The present work of Gandhi and his associates in the mental, physical, social and economic rehabilitation of the outcastes, or of the Harijans (children of God), as he chooses to call them, might well be called India's silent revolution. There are many who feel that here is Gandhi's greatest movement and contribution. However, great as it is, we must not lose sight of the fact that he is building upon a foundation laid by many other Indian leaders over the past one hundred years. Without the far-reaching effects of the lives and teachings of Ram Mohan Roy, Dayand Saraswati, Bhandarkar, Ranade and Gokhale, and Vithal Ranji Shinde, to mention only a few, Gandhi's present movement would not have the significance and appeal it has. Likewise, his recently created Harijan Sevak Sangh (the fellowship of the servants of the untouchables), is but the last in a long list of Indian national organizations, such as the Brahma and Prarthana Samaj, the Servants of India Society, the Depressed Classes Mission Society and the Indian National Congress, which have aimed at the removal of untouchability, root and branch, from Indian soil.

Many Indian scholars and leaders are now presenting evidence indicating that untouchability, and in fact even the caste system, are not only dispensable accretions of the Hindu faith, but inconsistent with the moral ideals of the early sacred books of Hinduism. To quote a resolution to this effect passed by a recent session of the important Hindu Maha Sabha, a relatively orthodox Hindu reform society:

"Whereas the caste system based on birth as at present existing is manifestly contrary to Universal Truth and morals, whereas it is the very antithesis of the fundamental spirit of the Hindu religion, whereas it flouts the elementary rights of human equality . . . this all-India Hindu Maha Sabha session declares its uncompromising opposition to the system and calls upon the Hindu society to put a speedy end to it."

The true nobility of the high-caste Hindu personality, the fresh, dynamic impulse of the awakened spirit of freedom and the high quality of India's present national leadership cause one to predict that the untouchable masses eventually will take this third road. As Hindus and Indians, their complete emancipation seems inextricably linked with the larger freedom and unity of the Indian masses, whether caste or outcaste, Moslem, Christian or Parsi.

AFRICA TODAY

The little black patch on the west coast—the Negro republic of Liberia—is Africa's last remaining independent country. Opposite it, on the east coast, lies Ethiopia, which mapmakers are now retouching with the legend of Italian sovereignty. African colonial empires are many times larger than the nations which own them. But to each, in most cases, have gone a mere handful of Europeans to settle among the natives. It is estimated that the slave trade took more Negroes out of Africa than whites have gone there to settle.

AFRICAN GRAB-BAG

The White Man's record on the Dark Continent

BY H. R. EKINS

WHAT has the white man done with black Africa?

As a European he has been wrangling over the Dark Continent since just before Christopher Columbus found his way to America, the land which so improved Africa's great slave trade.

Squabbling over the lush plateau regions, tropical jungles and scorching deserts has continued intermittently with only occasional lapses during which the Colonial Powers of the Old World, past and present, were struggling for supremacy in the Americas and the East.

Now Europe is at it again. Her chief reason for ruthless conquest in Africa has been based on the plea that surplus populations demanded an outlet. There were years during which black men and women were taken out of Africa by the thousand and sold into slavery by white men. Gold, rubber, ivory, diamonds, hides, animals and food of all climes were gathered in incredible quantities and sold in the markets abroad. Naval and military bases were established and forts were built to guard the land and sea routes to other colonial empires. But fundamentally Africa was conquered for colonization, to provide land for those for whom there was no room at home.

The land at home is as nothing compared with the colonial empires controlled by the major colonial Powers. England, with 94,278 square miles in the United Kingdom, administers an Empire of 13,196,356 square miles—an area actually 139 times her own size. The overseas possessions and mandates of France are 22 times her own size, while tiny Belgium's colonies are 83 times as big as the homeland. Italy's colonies were 7⅔ times as great as her home territory. Addition of Ethiopia increases the figure to 10⅔.

Yet how many white men have gone to Africa to justify the colonial wars, the huge land-grabs, and the annihilations of populations throughout the centuries?

Italy's campaign against Ethiopia revived the struggle started by the Phoenicians, Greeks, and Romans in ancient times and later carried on by European nations after the period of Arab conquests.

The long history of the alien, and more particularly of the white man, in Africa knew a period of inactivity after the post-World War distribution of mandates and other divisions of the spoils of conflict. But for well over a year now Europe has been threatened with new conflict because Italy, doubling back to the years when colonial land-grabbing was quite in

order, has stepped in to take all that remained of ungrabbed Africa. Her campaign and the international crises it engendered suggest an examination of the white man's record in Africa since the early years of the fifteenth century when the period of modern conquest and exploitation began.

Geographers agree on 11,462,000 square miles as the area of Africa. Forty thousand square miles in Liberia remain free in name only. Europe has the remainder, although the less realistic Egyptian patriots will insist upon adding their mere 350,000 square miles to the free territory. At the same time the sturdy Europeans dwelling in the Union of South Africa will demand that their 471,917 square miles be excluded from discussion of that part of Africa regarded as purely colonial and so maintained. The Union has a population of 7,000,000, of which 1,600,000 are Europeans. Although an integral part of the British Empire, they consider themselves just as free and just as much a nation as do the Canadians and Australians. That leaves 10,640,083 square miles of Africa to the purely exploited part of the continent with which we are dealing.

Exclusive of Egypt, the Union of South Africa, and the so-called Republic of Liberia, six nations had 46 colonies, protectorates, mandates, crown colonies, and other holdings on the Dark Continent before the Ethiopian hostilities. Now it is 47.

What have they done with them and to what extent have they justified their seizure of territory and their domination of native populations?

Excluding the Union of South Africa, Egypt, Liberia, and Ethiopia, we find that Great Britain, France, Italy, Belgium, Spain, and Portugal can count, on the basis of the most generous statistics and in round numbers, 1,630,000 whites in their African colonies. Many cities of the world have greater populations. While figures on the subject are most difficult to obtain, the guess has been hazarded (and with justice) that throughout the years when the slave trade flourished, the white men, engaged in the now outlawed business of selling human beings into bondage, succeeded in taking more blacks out of Africa as chattels than whites have entered the country to settle.

To reach even the generous figure of 1,630,000 whites in what may be termed "exploited Africa" it was necessary to leave the confines of the Continent itself and include islands near and some not so near its coast—Madagascar, Reunion, Zanzibar, Ascension, historical St. Helena, lonely Tristan da Cunha, the Cape Verde Islands, the Seychelles, Pemba and the islands of S. Thome.

The French have done most with their African possessions. But France is a great colonial empire. Her home population is 42,000,000, yet she rules an empire of 102,077,124 souls.

She has 1,373,930 Frenchmen and other Europeans in her African colonies, of which, officially, there are eleven. (In reality there are 20, with the various subdivisions of French West Africa and French Equatorial Africa.)

Exclusive of Egypt and the Union of South Africa, the British have 22 African possessions, in which there are only 100,888 whites.

Italy has 54,972 Europeans in her three African colonies, excluding Ethiopia. The Portuguese, once Head Men among the Europeans in Africa, can count 80,620 Europeans in their colonies, while the Belgians have 18,391 in the three they own. Spain, no longer the colonial power she was in the 16th, 17th, and 18th centuries, has a mere handful of whites in her four

African colonies. They number less than 3,000.

The figures, nation by nation and colony by colony, tell the story when total and European populations are placed side by side:

GREAT BRITAIN

Holding	Total Pop.	European Pop.
South Africa	6,928,580	1,828,175
Southern Rhodesia	1,212,000	52,950
Northern Rhodesia	1,392,238	10,533
Basutoland	498,781	1,603
Bechuanaland	152,983	1,743
Swaziland	127,515	2,805
Kenya Colony & Protectorate	3,076,343	17,249
Uganda Protectorate	3,620,193	1,854
Tanganyika Territory	5,030,857	8,217
Nyasaland Protectorate	1,611,314	1,817
Nigeria	19,928,171	100
British Cameroons Mandate	797,312	150
Gambia Colony & Protectorate	199,520	150
Sierra Leone — Colony	96,422	420
Sierra Leone — Colony & Protectorate	1,456,148	5,245
Gold Coast	3,271,557	3,146
Zanzibar & Pemba	235,428	420
Mauritius	393,418	
Seychelles (92 islands)	28,731	
British Somaliland	344,700	2,683
St. Helena	2,995	
Ascension	188	188
Tristan da Cunha	130	130

FRANCE

Holding	Total Pop.	European Pop.
Algeria	6,553,451	920,788
Tunis	2,410,692	195,293
French West Africa	14,575,973	21,088
French Equatorial Africa	3,192,282	3,300
French Somaliland	68,965	628
Madagascar & Comoros	3,701,770	36,530
Reunion	197,933	194,272
Togoland Mandate	753,300	512
Cameroons Mandate	2,222,408	2,038

BELGIUM

Holding	Total Pop.	European Pop.
Belgian Congo	9,485,091	17,588
Ruanda and Urundi	3,035,130	803

ITALY

Holding	Total Pop.	European Pop.
Eritrea	621,621	4,565
Italian Somaliland	1,010,815	1,658
Libya	727,663	48,749

The Spanish colonies of Rio de Oro and Adrar, Ifni, Spanish Guinea, Fernando Po, and Spanish Morocco, and the Portuguese African colonies comprising the Cape Verde Islands, Portuguese Guinea, the islands of S. Thome and Angola are hardly of sufficient importance for tabulation. Angola, with a population of 2,554,359 includes 40,000 Europeans, while the Cape Verde Islands, with a population of 153,700, have 4,800 whites.

Italy's "Deserts"

Figures in bulk are dry. They generalize too much. The foreign holdings in Africa which, in total, *are* Africa, should be taken one by one for a fair and proper examination of the white man's record.

Italy is responsible for the current noise about Africa. She acquired her first African territory in 1870 when the port of Assab was purchased from the Sultan of Raheita. It was occupied in 1880. Five years later a military expedition seized Massawa, the main port of Eritrea and the landing spot for the troops and material with which Premier Benito Mussolini has been fighting his current war. From 1887 to 1896 Italy fought a half-hearted war with Ethiopia for more territory. She acquired Asmara (until lately Marshal Pietro Badoglio's Headquarters) by conquest in 1893, but in 1895 and 1896 the late Emperor Menelik inflicted defeat after defeat on Italians seeking to encroach upon the plateau lands of Ethiopia. Eritrea remained Italy's African toe-hold—a long strip of desert suffering from scant rainfall and excessive heat. Parts of Eritrea are among the hottest portions of the globe. The country was won for Italy dearly but, as Il Duce said late last year in surveying his African possessions (Eritrea, Somaliland, and Libya):

"We are tired of collecting deserts."

Eritrea has a total population of 621,621, but before the military campaign against Ethiopia began, only 4,565 Europeans, the majority Italians, had been able to settle there.

Italian Somaliland, with a total population of 1,010,815, supported only 1,658 Europeans at the start of hostil-

ities. Subsequently, of course, troops and civilian laborers attached to the Army were poured into Italy's second African desert strip in large numbers.

The fact that Eritrea and Somaliland are largely desert has been the excuse for Italy's failure to colonize them. Only the future can tell whether Italians will colonize Ethiopia. There are many neutral observers who believe Mussolini will find it just as difficult to people the plateau lands of Ethiopia with Italian colonists as it was to persuade them to build their habitations on the desert sands of Eritrea, Somaliland, and Libya.

Italian Libya supported about 48,749 Europeans before the Ethiopian campaign, but only 37,000 were Italians. Italy's own analysis of her Libyan population shows that it is 30% Arab, 40% Negro, 23% Jewish and only 7% European.

Italy took Libya (Tripolitania and Cyrenaica) from Turkey after the war of 1911-1912. It is filled with turbulent tribes in the hinterland and most of the country is barren. Mussolini was not long in power before he decided that Ethiopia—all that remained of ungrabbed Africa—must be his to compensate for the disappointment over failure to transform Italy's four African deserts into gardens.

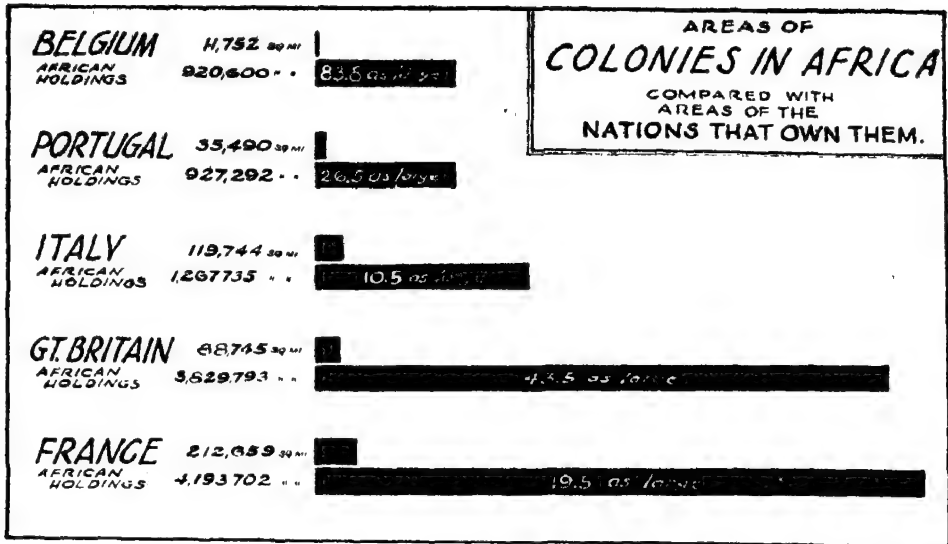
British Colonies

There can be no generalizing about the British record in Africa. His Majesty's Government controls 3,830,000 square miles of territory on the Dark Continent, ranging from Crown Colonies to mandates. Policy has been different in virtually every segment of the vast British holding. In Basutoland, for example, it has been paternalistic. In the 11,716 square miles of the territory, whites are not allowed to own land and so there has been no incentive for them to go there except as civil servants—administrators. Basutoland actually is a reservation for natives, who are among the most enlightened in Africa. In 100 years of British rule, the tribesmen of the country have increased from 40,000 to the present estimated population of about 500,000.

The British story in the Crown Colony and Protectorate of Kenya is different. Policy with regard to it is a bone of contention in Parliament and among the 17,249 settlers who have established themselves there. The total population is 3,076,343. As in other portions of British African territory, the problem of Asiatic immigrants is acute. The Kenya highlands are restricted, by legislation, to white settlement, and the immigrants from India are confined to the lowlands. The 39,500 Asiatics and 12,100 Arabs in Kenya are constantly disputing the insistence of the whites that the highlands must remain a European colony forever.

Bechuanaland and Swaziland are practically undeveloped territories of 275,000 square miles and 6,705 square miles respectively. They do not support white settlers, and the answer to our question there is that the white man has been content to control them and no more. The natives have been left very much to themselves. That is typical to some degree of British policy. Experienced administrators have found their jobs easier if application of the white man's standards is thwarted.

In theoretically enlightened Basutoland native codes are respected, even in the matter of levying taxes. Tax levies on the natives increase proportionately to the number of wives they boast.

In British Somaliland, a desert like the French and Italian Somalilands, His Majesty's administrators will

countenance no interference in the lives of the 342,000 Moslem natives. Foreign missionaries are barred and no attempt is made to alter the lives of the blacks. Of the 2,683 non-natives, the 55 whites in the country are administrators and the few white officers in the Camel corps of the King's African Rifles.

Tanganyika, formerly German East Africa, a vast area of 366,632 square miles, has a total population of 5,030,000. While there are about 32,000 Asiatics there, the Europeans total only about 8,300 and very few are British. The native population is crude and uncivilized. But Tanganyika is a name to remember if Germany's latent desire to regain the colonies she lost in the World War should materialize.

All indications point to British intention to justify their control of the Uganda Protectorate. Of its 94,204 square miles, 13,616 are under water, but the country is rich in resources and plans for its development are being applied. There are only 1,854 Europeans and 14,204 Asiatics against a native Bantu population of 3,604,135. But (wonder of wonders for African colonies) 250,000 native children are in school in the Uganda Protectorate, and the territory will bear watching by those who are interested in watching the efforts of a very few white men in a little-known part of the world.

The word *exploitation* tells the whole story of the white man's endeavor in the Nigeria Colony and Protectorate, which includes the British mandated Cameroons area. In a population of 20,000,000, a handful of Europeans, with no idea of settlement or of bestowing boons on the natives, are exploiting the vast natural wealth of the area.

Zanzibar, also British-controlled, is more than a setting for comic opera. Lord Salisbury traded Heligoland to Germany for Zanzibar in 1890, and ever since the British have recognized the Sultan of Zanzibar as a sovereign in return for having the ultimate say-so in a small territory which, for all that, produces most of the world's supply of cloves. But while the Sultan of Zanzibar is Sovereign, the British administer his territory for him through the careful operations of a Resident Officer. The Resident actu-

ally holds sway over the 235,428 people of Zanzibar and the Island of Pemba.

While the British keep their rule in Zanzibar for its cloves, they control the Gold Coast Colony and Protectorate, which includes the former German colony of Togoland, for the great forest wealth and the important rubber there. Again it is a case of white domination for control, and not for settlement.

Englishmen have made a colony of the 287,950 square miles of Northern Rhodesia. There are 10,000 of them among the regions' 1,392,238 population. But more have gone to the Crown Colony of Southern Rhodesia where there are 52,950 Europeans and 4,550 Asiatics among about 1,000,000 natives inhabitating a rich area of 150,344 square miles.

France—and Rearmed Germany

The French in Africa represent a story of both vigorous colonization and exploitation. Their position has been emphasized more than ever in even recent days because of the great question mark in the field of African colonization raised by the desires and potential demands of a rearmed and militant Germany.

In the British House of Commons, Prime Minister Stanley Baldwin declared flatly that His Majesty's Government would not consider returning to Germany any colonies or territories under her mandate.

Reaction in France was swift. The French made it clear that they are not so certain that the Baldwin statement is final. They understand full well that the African colonies they hold under mandate may provide the finest bargaining material when the Powers of Europe finally gather around the conference table to start revamping the League of Nations and rewriting the peace treaties of Europe.

In connection with colonies, several developments in late April alarmed the French. One was the warning delivered to Premier Albert Sarraut by his own Ministry of Public Health that while the French birthrate declined by 750,000 last year, the German rate increased by 300,000. Many Frenchmen see in the bounding German birthrate not only cannon fodder for the future but a population pressure more than likely to stimulate German desire to recover lost colonies. Another development alarming to the French consisted of reports from various British colonies and mandated territories that the companies exploiting colonial riches, especially in the African colonies, were slowing up production and operations.

French officials are not accustomed to talking for the public. They leave the talking to the men out of office. Hence it was considered highly significant in late April when Louis Truitard, French Commissioner for the mandated territories of the Cameroons and Togoland, said to the United Press:

"Although I am not in a position to give the official Government viewpoint on the return of her former colonies to Germany, it is evident that France will not return her portion of the former German Cameroons and Togoland. They have been extensively developed by French planters. The French Government has spent many millions of francs on them."

Truitard then proceeded to tell his story of a bit of the white man's work in a considerable portion of Africa. He said:

"Before the World War Germany exported from the Cameroons 35,000 tons of products annually. The French now export 125,000 tons a year. Before the war the Germans had six automobiles in the Cameroons. Now there are 1,800. The great majority of

planters are French. Very few are German. Apart from a few disaffected Headmen in the villages, the great majority of natives wish to remain under French mandate.

"Moreover, the Cameroons and Togoland are not suitable for extensive white colonization. The British Cameroons, which are less than one-third the size of the French Cameroons, had many model German plantations before the war. Since 1925 the Germans have been buying them back from the British. With two exceptions, all the plantations in the British Cameroons are in German hands. In Germany they call bananas imported from the British Cameroons 'German bananas.'

"The British have concentrated most of their energies on the development of former German East Africa, now known as Tanganyika. The French have done the same in their share of the Cameroons. The British have taken heavy losses in their share of Togoland and the Cameroons. The British Cameroons owe British Nigeria 50,000,000 francs and British Togoland owes the Gold Coast colony 12,000,000 francs.

"A considerable portion of Tanganyika is suitable for white colonization. British settlers there have indicated to their Government they are prepared to fight to keep their colonies and to remain on their plantations. The British settlers in Africa are likely to keep their Government from returning Germany's former colonies."

Truitard emphasized that the French, like the British, are more than willing to give full economic rights to Germans in their colonies in accordance with the terms of the mandates. But he stressed that under the terms of the mandates only countries which hold membership in the League of Nations have the right to send settlers to mandated territories. Under a 1926 treaty, however, France and Germany agreed that the Germans have special permission to send colonists to the Cameroons and Togoland, regardless of mandate regulations.

We are likely to hear much of Tanganyika and Togoland in the future. In the Versailles distribution they were divided between French West Africa and the British in East Africa and the British Gold Coast Colony.

Tanganyika lies between the British East African colonies of Kenya and Rhodesia, giving Great Britain a continuous territorial claim from the borders of Ethiopia to Capetown and, through the Sudan, from the Red Sea to the Cape. Records studied by Ralph Heinzen, Chief United Press correspondent in France, show that Germany has continually fought at Geneva all British efforts to incorporate Tanganyika with other British African colonies under a central government. The Germans contended that such efforts marked merely the prelude to definite annexation.

The show-down will come because of increasing demands of British colonists in Africa that once and for all their Government at home atone for past procrastination and determine upon a definite African policy. It will come because of the French persistence in asking Chancellor Adolf Hitler's Government:

"If Germany feels her colonial status is one of inequality what claims are likely to be made for redress? Does she want all her colonies back or only some of them and, if so, which ones? Is there any distinction made in the German Government's mind between colonial possessions and mandated territories?"

The latter question is particularly important because if Germany claims

mandated territories as well as colonies, Japan will be greatly concerned. Through the Versailles Treaty, Japan obtained from Germany the great bloc of the Caroline and Marshall Islands in the Pacific. The League of Nations claims Japan has made them into submarine bases for the Japanese fleet.

France in Africa

Aside from her interests in former German colonies and mandated territories France has made much of her conquest in Africa. Within a century and because of French activity the European element in North Africa, Tunis and Morocco, has grown from a handful of French merchants and consular officials to one tenth of the total population. Great European towns have been built, order and public security have been established, and agriculture and stock raising have been made infinitely more productive.

Algeria's non-native population is 920,788. It includes about 762,000 Frenchmen and 158,000 other Europeans. Natives over 25 who are farmers, property owners, who do not go in for plurality in wives, or who can read or write, or who hold French decorations, receive the blessings of French citizenship.

France has been in Algeria for 106 years. In that time she has built 4,100 miles of highways and 3,023 miles of railroad.

In Tunis there are 195,293 Europeans of whom 91,427 are French, 91,178 Italian and 8,643 Maltese. The natives total 2,215,399. The majority are Arabs and Bedouins. There are 56,242 Jews. The French have been in Tunis since 1881. Formerly it was under Turkish suzerainty.

The French have lumped the colonies of Senegal and the Dakar District, Mauritania, French Guinea, the Ivory Coast, Dahomey, the French Sudan, and Niger into French West Africa. Among its vast population of 14,575,973 there are only 21,088 Europeans. Seventy per cent are French.

The same is true of French Equatorial Africa in which have been merged the constituent colonies of Gabun, the Middle Congo, Chad and Ubangi-Shari. The French began acquisition of Equatorial Africa in 1841. They have extended the territory by exploration and occupation. There are 3,192,-282 people in its 912,049 square miles, but Europeans total only 3,300. They are busy growing rich on timber, wild rubber, palm and ivory.

The French took their Cameroons, formerly German Kamerun, by military conquest in 1916. There are only about 2,100 Europeans there.

Madagascar, 240 miles off the coast, and Reunion are remarkable examples of the success of French colonization. The French have had Madagascar since 1885 and now there are 23,076 Frenchmen there and 13,460 other foreigners in a total population of little more than 3,000,000. Reunion has been French since 1643. In a population of 197,933 the officials list 194,272 as of "French-European origin."

Belgians in Africa

Volumes have been filled with the story of Belgium in Africa. The history of Leopold II's dream, the Belgian Congo with its 920,600 square miles, has been grim. The Congo, the size of America's 15 southern States, supports 9,485,091 people of whom 17,588 are whites, mostly Belgians.

Belgium also has Ruanda and Urundi, formerly part of German East Africa. The territories were ceded by League of Nations mandate.

Residing there on one of Africa's best cattle ranges are 3,034,000 primitive natives and a handful of whites.

CHRONOLOGY

Highlights of Current History, April 10--May 10

DOMESTIC

APRIL 11—President Green, of the American Federation of Labor, urges unions to support candidates in the coming campaign who favor social laws uncontested by judiciary.

Hunger marchers of the Unemployed Workers Alliance parade through Washington to the White House and Capitol.

APRIL 12—Latin American states urge the formation of a League of Nations for Americas.

APRIL 14—Automobile Manufacturers Association resigns from the Chamber of Commerce of United States.

APRIL 15—President Roosevelt refuses to allocate funds for the completion of Passamaquoddy "tide-harnessing" power project and Florida Ship Canal.

APRIL 16—Germany asks the Securities Exchange Commission to register Dawes and Young loans.

APRIL 17—Judge H. L. Ritter, of the Southern District of Florida, impeached and removed by United States Senate.

APRIL 18—United States District Court rules that $886,945,810 German bonds are collectable here despite German moratorium.

Secretary Wallace assumes veto power over each farm benefit payment.

Newspaper editors denounce the Black Committee for blanket seizure of wire communications

APRIL 19—Secretary of Interior Ickes names experts for national flood control study.

The State of Colorado closes its borders to indigent labor and aliens.

APRIL 20—John L. Lewis, head of the United Mine Workers, offers $500,000 fund for the organization of steel workers.

Senate Committee majority favors Federal munitions plants.

APRIL 21—House of Representatives receives new tax bill.

Sailors testify before Secretary of Commerce Roper that American ships are unsafe.

Churchmen, at Senate hearing, allege plots to curb liberties.

APRIL 22—Five hundred thousand students participate in peace rallies throughout the country.

Publishers report that freedom of the press is in jeopardy.

A.A.A. fears drought in the Southwest and the West.

United States exports to Italy off $1,266,522 for three months.

APRIL 23—Publishers are urged to fight for freedom of the radio.

Eastern railroads ordered to cut rates by the Interstate Commerce Commission.

Governor Lehman of New York asks law to remove the stigma of illegitimacy from children.

President Roosevelt asks for $460,800,000 to set up security program.

Puerto Rican independence provided for by bill introduced in Senate.

APRIL 24—Associated Press is declared a violator of the Wagner Labor Act by the Labor Relations Board.

APRIL 25—United States renounces rôle of Panama guardian in new pact.

APRIL 26—Nonpartisan policy is reaffirmed by American Federation of Labor.

APRIL 27—Rising relief costs are reported by Administration leaders.

Secretary of Agriculture Wallace upheld by the Supreme Court on stockyard ratemaking.

APRIL 28—Striking seamen agree to submit wage contract difficulties to an arbiter: Supreme Court Justice Black accepts post.

APRIL 29—Arturo Toscanini gives farewell performance at Carnegie Hall, after eleven years with the New York Philharmonic-Symphony Orchestra.

Corporation tax bill to raise $803,000,000 is passed by House of Representatives.

APRIL 30—Senators consider deficit of $5,996,000,000 and move to raise tax yield.

Senate passes "Anti-Chain-Store" Bill (to bar either award or acceptance of price discriminations).

MAY 1—House of Representatives passes the Navy Bill.

Full strength recruiting of the Civilian Conservation Corps is ordered by President Roosevelt.

MAY 3—J. E. Hoover of the Department of Justice denounces "politics" as Public Enemy No. 1.

MAY 4—*Idiot's Delight*, by Robert Sherwood receives the Pulitzer award for the best play of the year; *Honey in the Horn*, by H. L. Davis, receives the most-distinguished-novel award.

MAY 5—President Green, of the American Federation of Labor announces that he will support Roosevelt for re-election.

MAY 6—Reciprocal trade treaty is signed by France and the United States.

President Roosevelt's relief request is cut by $75,000,000 by the Senate Finance Committee.

MAY 7—Senator Nye denounces the Navy Bill as an incitation to Japan.

Sentiment for an American League of Nations is reported to be gaining strength.

MAY 8—Labor units split over organization of steel workers.

Senate passes $509,125,806 Navy Supply Bill.

MAY 9—Zeppelin *Hindenburg* arrives in the United States, inaugurating first trans-Atlantic freight and passenger service.

MAY 10—United States population reported as of July 1, 1935, was 127,521,000, an increase of 3.9% in the five years from April 1, 1930.

FOREIGN

Egypt

MAY 10—An all-Wafd Government is formed by Nahas Pasha, the new Premier.

England

APRIL 21—British budget calls for a jump in basic rate of income tax.

APRIL 24—Committee formed to fight cession of British colonies.

APRIL 30—British Navy plans 38 new ships; biggest building program since 1921.

Germany

APRIL 15—Dr. Eckener remains commander of Zeppelins despite election propaganda dispute.

APRIL 20—Nazis parade military strength on Hitler's birthday.

APRIL 24—Nazis to increase students abroad to spread pro-Hitler views.

Minister of Economics Schacht seeks dictatorial power over Germany's finance.

APRIL 26—Germany studies ways of securing colonies as outlets for growing population.

Reich reply to Eden depends on French elections.

APRIL 27—Goering appointed dictator of Reich finances to end all financial disputes.

APRIL 30—Germany enters into trade treaty with Manchukuo.

India

APRIL 12—Pundit Nehru proposes socialism as the only solution of India's problems in a Presidential address before the Indian Nationalist Congress.

Japan

APRIL 11—Japan denies any intention of signing new London naval treaty.

APRIL 18—Japanese prepare for Soviet "attack" by speeding defenses.

MAY 6—Japan announces intention of forcing North China into anti-Communist pact.

Mexico

APRIL 11—Mexican unrest driving foreign capital out of the country.

APRIL 16—Mexico sets up fund to aid industrial development.

APRIL 23—5,000 Vera Cruz Catholics petition Cardenas to open churches.

Palestine

APRIL 20—Twenty dead as Jew-Arab rioting spreads.

APRIL 21—Palestine quiet; Arabs press general strike.

APRIL 25—Arab disorders continue in Palestine; Arab council formed.

MAY 5—Arabs refuse to halt the general strike.

MAY 7—Arabs vote to inaugurate a civil disobedience campaign.

MAY 8—Britain flies troops to Palestine to quell riots.

Pan-America

APRIL 15—Argentina proposes pact curbing U. S. intervention in Latin America.

APRIL 16—Argentina proposal received favorably by the United States.

APRIL 24—Honduras rebels, routed by planes, flee into Nicaragua.

Puerto Rican coalition leader opposes Independence Bill.

APRIL 25—Venezuelan Congress elects Lopez President for a full term.

MAY 2—Bolivia and Paraguay start repatriation of Chaco prisoners.

Poland

APRIL 23—Condition of Polish Jews acute under wide terror.

APRIL 27—Exchange control and embargo on gold announced.

Soviet Union

APRIL 11—Soviet withdraws government subsidies from many industries.
APRIL 15—Soviets back Turkey's League demand for refortifying the Dardanelles.
APRIL 22—Soviet Embassy in Tokyo is accused of plotting war.
APRIL 25—Soviets restrict the sale of manganese to Germany.

Spain

APRIL 17—Leftist unions stage a general strike in Madrid.
MAY 10—Azaña is formally elected President of the Spanish Republic.

Italo-Ethiopian War

APRIL 13—Italian troops occupy town on the Sudan border; raise flag on Lake Tana
Italy announces willingness to accept invitation to peace parley.
APRIL 15—Italian troops occupy Dessye, covering 120 miles in five days
APRIL 20—Ethiopia rallies new army to block Italian advance from Dessye.
APRIL 21—Italy celebrates Rome's anniversary and success in African war.
APRIL 30—Ethiopians abandon defense of Addis Ababa; Italians within 75 miles.
MAY 2—Ethiopian Emperor flees; capital is looted and set afire.
MAY 3—Enraged mobs rule Addis Ababa; American woman killed.
French protect Haile Selassie and family at Djibouti.
Mussolini announces that 400,000 soldiers will stay in Africa as settlers.
MAY 4—Italians soldiers enter Addis Ababa.
MAY 5—United States defers decision on recognition of Italian régime in Ethiopia.
Rome announces that a plan to rule and exploit Ethiopia has been drafted.
MAY 7—Italians take over Ethiopian railroads.
Italy announces that she will model her Ethiopian Empire on India.
MAY 8—Ethiopia insists Empire not lost.
Haile Selassie safe in Palestine.
MAY 9—Italy annexes Ethiopia; Italian King created Emperor of Ethiopia, with Badoglio as Viceroy.
MAY 10—League Council firm against lifting sanctions on Italy.

INTERNATIONAL

APRIL 11—French press warns that France must support Italy if forced to choose a near European ally.
Turkish Government urges the League of Nations to revise the Straits Convention providing for freedom of transit through the Dardanelles and their demilitarization
APRIL 12—Japan to link the East Hopei Autonomous Council with Manchukuo for common defense against communism.
APRIL 13—Britain bans military or naval sanctions against Italy.
Premier Demerdjis of Greece dies.
APRIL 16—Britain agrees to discuss revision of Dardanelles pact with Turkey.
Britain sends anti-submarine ships to Gibraltar; war fleet at full strength in the Mediterranean.
French and British military staffs draft plan to guard Belgium from attack.
APRIL 17—League of Nations admits failure of its Ethiopian peace effort.
APRIL 19—Reich-Soviet neutrality pact of 1926 to continue without nullification despite recent developments.
APRIL 20—League of Nations reviews its censure of Italy and continues sanctions.
APRIL 21—League of Nations Committee reveals that Italy has sustained heavy gold losses since inception of sanctions.
APRIL 23—British Foreign Secretary Eden to question Hitler on colonial intentions.
APRIL 25—Treaty with Hungary is denied in Warsaw, Poland.
APRIL 27—Japan and the Soviet Union agree on commissions for frontier settlement in China.
APRIL 28—King Fuad of Egypt dies; 16-year-old son becomes the new ruler, but regents will govern for two years.
China is proposed as a semi-permanent member of the League of Nations Council
APRIL 29—Report Austria moves troops to German border.
MAY 3—French Left parties gain large majorities in the Chamber.
MAY 5—Balkan Entente, losing faith in League, confers to find new basis of security.
MAY 7—Britain proposes a pact to regulate world arms traffic.
MAY 8—Little Entente, in conference at Belgrade, reaffirms its unity.

MARGINAL HISTORY

Sidenotes from the Current Scene of World Events

NOBEL LAUREATE LENARD dedicates the first volume of his work "Deutsche Physik" with a sweeping denial of the existence of any but Aryan physics or the physics of the Nordic species of man. Further, he insists that science, like every other product, is racial and conditioned by blood. Monsieur Verdun remarks that the German likes to put Prussian boots on his feet . . . and also on his head.

❖ ❖ ❖

IN JANUARY 1917, a poster depicting an American soldier swarming an enemy barricade is displayed in towns and cities by the U. S. Government. The caption reads: "Enlist! Your Country Needs You!"

January 1936, an advertisement depicting an ex-soldier brutally crippled is displayed by the World Peaceways. The caption reads: "Hello, sucker!"

❖ ❖ ❖

ETIENNE DEPUCH, a member of the Nassau Legislature, received the following letter from Pirates Well, Mayaguana:

"Just a few lines to inform you about an unusual occurrence that happened at Mayaguana.

"On Tuesday night, March 24, 1936, five warships passed the north side of Mayaguana, trained searchlights on the island and frightened many of the inhabitants, and then on Friday afternoon three American warships came and anchored in front of Northwest Point Light at about 3:30 P.M.

"I was not at home at the time but the constable reported it to me on my arrival and I immediately went to the point, which is four miles from my home, reaching there just as dark shut in.

"I remained there until about 9 o'clock next morning, took a small boat, went alongside the ship named Dale and inquired their mission here. I was told by some of the sailors they were only fishing. They also asked how often British warships came here.

"They went to Betsy Bay and got the men to get them some lobsters and they paid for them. In the afternoon thirty or forty-five men came ashore at Northwest Point and enjoyed themselves with sea bathing, giving the little boys cigarettes.

"I went alongside two of the ships, and I got the names and numbers of them and inquired for the name of the third. The names of the ships are Dale, No. 353; Monaghan, 354, and Potomac. I did not reach the third ship, so I don't know her number.

"I would like to know if a foreign warship is allowed to anchor as close as these ships did."

JAMES A. BARNES,
Justice of the Peace.

From well-informed sources it is reported that war is not imminent.

❖ ❖ ❖

EDOUARD HERRIOT, former Premier of France, leader of the Socialist Party and advocate of war debt payments, again suggested to his compatriots that a gesture of consideration toward the United States in connection with the debt defaults would be a good

investment for the future. Mr. Herriot revealed that in 1933 President Roosevelt urged him, as representative of the French, to "make a gesture." But when he asked the Chamber of Deputies to make a token payment, he reminded his countrymen, the Deputies rejected him and his idea.

"Observe this," continued M. Herriot. "In 1932 the Americans were helping us; today, in the midst of immense difficulties with which we are struggling, they are on another planet. Ah, if we had been wise enough not to forget our friendships! I hope the day will not come when we shall need oil and credit. Where should we find them?"

❖ ❖ ❖

FURTHER exploiting the technique of educative posters, Communists have recently sanctioned a campaign that should go well in this country. Huge signs are posted behind store counters exhorting customers to be polite to clerks, and to eliminate class prejudice the clerk is ordered to show civility to the customers.

❖ ❖ ❖

THOSE who have been aware of change taking place within themselves will be interested in the diagnosis announced from the pulpit of New York's beautiful St. Patrick's Cathedral.

Mgr. Sheen courageously states that "man has been transformed into a sort of fat penguin waddling stupidly among the nuts and bolts of factory machinery . . . and by modern education in Western civilization he is hammered down into a worm with a stomach, as if he had no other destiny than to creep, crawl and exist."

❖ ❖ ❖

THE quarterly report on world unemployment issued by the International Labor Office reveals this vital subject in all its grimness. January figures show a decrease of only 278,000 for the year 1935 in America. The world situation remains steady with very slight decreases in unemployment.

America, with 12,626,000, leads the entire European continent by more than 3,000,000. Although the International Labor Office had nothing to do with the imposition of sanctions against Italy, it was refused Italian labor figures as a point of reprisal.

❖ ❖ ❖

DESPITE Arab hostility and resentment, the Jews continue to enter Palestine. Unnoticed in a noisy world, a new Jewish nation has made a beginning. The children of Israel pit their religious history of 1,000 years before the Christ against the 1,600-year latter occupation of Palestine by the Arabians. Last year, 61,000 Jews were absorbed in the new colony. The United States contributed 1,638 while the largest number, 27,291, emigrated from Poland.

❖ ❖ ❖

ITALY and Japan have agreed to join the United States, Great Britain and France in signing a pact to humanize warfare.

Italy completes her campaign against Ethiopia with formal annexation of that territory—a victory particularly tainted, rings the charge, by the use of poison gas. In France, citizens are instructed in the preservation of their own and others' lives in the eventuality of a gas attack. Russian medical doctors successfully complete delicate operations while wearing gas masks and full equipment.

In England, the Government seeks an effective siren to warn the citizens of approaching raids from the air.

During the World War, George Bernard Shaw satirically advocated the slaughter of women and children as the most effective method of permanently weakening the enemy.

AUTHORS *in this ISSUE:*

BERNARD M. BARUCH (*Neutrality*). Front-line citizen. Just as a reminder, he was chairman of President Wilson's War Industries Board, among his other war-time incumbencies.

❖ ❖ ❖

FRANK C. HANIGHEN (*Propaganda on the Air*). Author, editor, ex-European news correspondent Best known as co-author of *Merchants of Death* (Dodd Mead Co., 1934), a Book-of-the-Month Club selection

❖ ❖ ❖

WALLACE S. SAYRE (*Political Ground-Swell*). Assistant Professor of Government at New York University. Wrote *Outline of American Government* (Barnes & Noble, 1933), and annual revisions. Frequent magazine contributor on social and economic topics.

❖ ❖ ❖

E. W. H. LUMSDEN (*Fascist Paraguay*). Former staff member of *La Prensa de Buenos Aires*. Now contributes articles on Latin America to the *New York Times* and the *New York Herald Tribune*, in addition to writing for foreign publications.

❖ ❖ ❖

WILLIAM SEAVER WOODS (*Has the League Failed?*). Former editor of *The Literary Digest* and a keen student of European affairs, he retired in 1933 to devote himself to writing.

❖ ❖ ❖

W. CARROLL MUNRO (*King Cotton's Stepchildren*), is a staff writer for CURRENT HISTORY.

❖ ❖ ❖

RUTH BRINDZE (*Consumer Cooperatives*). Wrote *How to Spend Money—Everyone's Practical Guide to Buying*. Reports consumer news for *The Nation*, and is a recognized authority on the cooperative movement.

❖ ❖ ❖

MURRAY PADDACK (*Puerto Rico's Plight*). Cincinnati attorney. A frequent visitor to Puerto Rico, he stayed there long enough in 1931 to marry a native Puerto Rican. His interest in the Island has been unflagging since then.

❖ ❖ ❖

GORDON B. HALSTEAD (*India's Untouchables*). Widely traveled High School teacher of history. Spent four years in India doing educational work and established intimate contact with the various group movements.

❖ ❖ ❖

H. R. EKINS (*African Grab-Bag*). Made his debut in the new CURRENT HISTORY last month with *Meet the Ethiopians*. Served the United Press on four continents last year, winding up in Africa with the Ethiopian Army.

Storing up Health *for 1956*

How healthy will your boys and girls be twenty years from now? The time to lay the groundwork for healthy adult life is during Childhood — and the place is outdoors—running, jumping, hiking, wrestling, swimming, skating, skiing, bicycling, playing football, baseball, soft ball, tennis. Supervised gym work or self-directed exercises at home supplement outdoor play.

While the majority of healthy boys and girls need no urging to take part in active games, many of them can develop better muscles, greater skill and more natural grace in their sports if they have proper direction. The way your child sits, walks, runs, stands, lies in bed may determine, long in advance, whether or not he, as an adult, will be straight and graceful in form —without bone or posture defects.

Sunshine is one of your child's greatest allies. It is essential for health and development. But sunshine which passes through ordinary glass loses its real, beneficial effect. Gray light of a cloudy day outdoors is more healthgiving than bright sunshine filtered through ordinary glass. Sunlight helps to prevent rickets. It is as important to keep a child out in the sunlight, as it is to safeguard the quality and amount of his food.

Have your doctor examine your child at regular intervals to find out whether or not he has any defects which if uncorrected would prevent proper growth and development.

The building years of childhood are of vast importance to the mind as well as to the body. A child, in active games, may learn the spirit of fair play, honesty and courage, which contribute to success and happiness in later life.

Send for a free copy of "Keeping Fit Through Exercise," which is planned to help parents as well as children enjoy better health. Address Booklet Dept. 636-K.

Keep Healthy—Be Examined Regularly

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT — ONE MADISON AVE., NEW YORK, N. Y.

(Continued from page 7)

ican language for sound and fury, has again demonstrated that he is also something of a polished philologist. As the Baltimore Berater, Mr. Mencken attracted to himself a certain number of followers who took a wide-eyed delight in feasting on his weird word inventions and frequent philippics. But as a scholar, Mr. Mencken will find not only a vastly larger and newer audience but a more appreciative and finer one.

The American Language is a fourth edition in name only; the general skeleton has been retained, but around it Mr. Mencken has constructed a new, rich, and meaningful work almost twice as large as the previous edition. The new edition has been increased from 3,600 to 12,000 terms and contains a plethora of change in the American language accumulating since the publication of the third edition thirteen years ago. The theme has been changed somewhat, too. Mr. Mencken predicted in the earlier editions that the differences between American and English would grow wider and more numerous with the years. "But since 1923," he writes, "the pull of American has been so powerful that it has begun to drag English with it, and in consequence some of the differences once visible have tended to disappear."

Mr. Mencken believes that the influence exerted by the American "talkies" on the speaking habits of the English is only an incidental factor in the change. Americans, he points out, now comprise the largest number of English speaking peoples and are bound to dominate the language, "if only by the force of numbers." Yet there is a noticeable persistence in this country of an attempt to adopt certain pronunciations that seem to be in the best King's English. For example, radio listeners are asked to tolerate announcers who use American in everything but their *cawn'ts* or *pahsts* or *ahnds*. There is no sin, of course, in the use of these pronunciations provided they are contained in company with their complete English context. But a *cawn't*, trotted out cold and shivering in the middle of a warm, fleshy, and native American sentence, may be more than a little disconcerting.

MISCELLANEOUS

Biography

In an era when dictators abound abroad and the possibility of one on these shores has been mentioned more than once, the career of Maximilien Francois Marie Isidore de Robespierre may serve as an object lesson. Not the least significant aspect of J. M. Thompson's *Robespierre* (two volumes, D. Appleton-Century, $7), is the description of the road along which Il Duces and Fuhrers travel.

Robespierre was a champion of democracy in the broadest sense of the word; he came to the French National Assembly in 1789 as a voluble and sincere exponent of popular sovereignty and uncensored expression. He quickly rose to power but the equation of dictatorships was the same even then. He found himself "forced" to resort to the purge, the spy system, the torch of terror, and other standardized stock in trade items of what is now known as fascism. Yet all these acts of tyranny were motivated almost solely by an earnest desire to bring liberty and justice to an oppressed people. He died in 1794 on the guillotine, probably the most desecrated of the Revolution's "heroes."

The career of Robespierre, if Mr. Thompson has interpreted it correctly, will trouble his readers with a disturbing question: In whom may we place our faith if true apostles of the public good, like Robespierre, lead us to such an unsalutary autocracy in their efforts to restore justice?

❖ ❖ ❖

Harry R. Warfel deserves a vote of thanks for writing a biography that places Noah Webster in his rightful niche in history as a significant leader of American thought and character. For Webster, as Mr. Warfel shows in the biography *Noah Webster: Schoolmaster to America* (Macmillan, $3.50), has a claim to fame besides that of the nation's greatest lexicographer.

Webster was the foremost figure in the intro-

duction and establishment of a national system of education. After the Revolution he was active in arousing public attention to the necessity of adequate education and the development of a national culture which would follow the pattern of America. And Webster's famous *American Speller* helped shape that culture and education more than any book of early American history. But Webster was also a scientist, editor, legislator, lawyer, farmer, historian, schoolmaster, and theologian.

The success of the *American Dictionary of the English Language*, for which Webster is chiefly known, encouraged him to publish later an enlarged second edition and a *History of the United States.*

History

If a Pulitzer Prize were awarded for history textbooks, the honor would in all fairness go to Wallace K. Ferguson and Geoffrey Brunn for their *A Survey of European Civilization* (Houghton Mifflin, $4.50). For Messrs. Ferguson and Brunn have collaborated on a work that will allow college students, for whom it is primarily intended, to become acquainted with European history more as a matter of moving, living, background than as a required course for graduation. The book is divided into two parts: Dr. Ferguson covers the field up to the year 1660, and Dr. Brunn has written the section from that date to the present. *(Appendix, bibliography, maps, charts, and illustrations, 1024 pp.)*

❖ ❖ ❖

The Reformation has remained one of the most vital periods in history. Volume IV of *European Civilization, Its Origin and Development*, compiled under the direction of Edward Eyre (Oxford University Press, $5.50), gives new and richer meaning to the sixteenth century religious revolution resulting in the establishment of Protestantism. The volume is divided to cover the Protestant Revolution, the Catholic reaction, and "the Drawn Battle." Among its contributors are Myles V. Ronan, Christopher Hollis, L. Cristiani, W. E. Brown, and F. M. Powicke.

❖ ❖ ❖

In the history of every country boasting a democratic government there has doubtless been a period of political debauchery. The carouse in England is outlined by William Thomas Laprade in *Public Opinion and Politics in Eighteenth Century England* (Macmillan, $4). The transition from monarchical to parliamentary supremacy occurred during the early eighteenth century when the wealthy middle class first began to realize its own nascent power and that of the swaddling press. It was of these unsettled years during which were

developed the crude beginnings of modern political techniques that Professor Laprade writes.

❖ ❖ ❖

Edward Howland Tatum, Jr., is "bold enough" to challenge, in his *The United States and Europe, 1815-1823*, the commonly accepted theory that the Monroe Doctrine was the result of the fear that the Holy Alliance would soon reach out into the New World, and the threat of Russian expansion on the Northwest Coast. Mr. Tatum's study, based on documentary evidence, contends that American opinion, domestic problems, and a growing spirit of nationalism were responsible for the Doctrine.

❖ ❖ ❖

German Agricultural Policy 1918-1934 (University of North Carolina Press, $2.50), by John B. Holt, is a scholarly study and analysis of the evolution of Germany's policy in regard to agriculture since the war.

Science

A new edition of Professor Ivan P. Pavlov's history-making *Lectures on Conditioned Reflexes* has been published in a new, less expensive, but not less attractive edition (Liveright $3). Dr. Pavlov's great work, which will endure as the living monument to Russia's greatest scientist, is the result of a quarter-century of study and observations in animal behaviorism. The account of Professor Pavlov's work on the physiology of the nervous system has been included in all college science syllabi; it will now be possible to bring it within the reach of all.

Art, culture, and science in the Soviet are always favorite questions and topics for discussion. In the field of science, at least, one reads in *Soviet Science*, by J. G. Crowther (Dutton, $4), of a nation whose progress in the field of scientific research has been unfaltering.

The reader who is anxious to know whether Soviet science is making greater headway than the United States, and who will not be satisfied until he knows why, will find his answers in *Soviet Science*.

❖ ❖ ❖

The layman with an interest in astronomy will turn to *Cosmic Rays Thus Far* by Harvey Brace Lemon (W. W. Norton, $2). Dr. Lemon, a professor of physics at the University of Chicago, has traced the developments and progress made in the study of cosmic rays and has presented and assembled his facts in such a way that it is understandable and significant even though the reader may have little or no previous knowledge of th subject.

Industry

One hears many explanations of, or reasons fo artificial control schemes in industry. More tha a few are puzzled by an economic doctrine whic would destroy foods and goods when millions ar in dire need of them. J. W. F. Rowe has made thorough inquiry into this phase of economics i his *Markets and Men* (Macmillan, $2). Mr. Row examines and explains the inner workings of th artificial control schemes which have been attempte with various degrees of success, in the industri of wheat, sugar, cotton, rubber, and tin.

Sociology

A detached, scholarly study of the problem anti-Semitism is contained in *Anti-Semitism, Toda and Tomorrow*, by Rabbi Lee J. Levinger (Ma millan, $2.50). Dr. Levinger has divided his boo into sections on a historical survey, analytic study, and a sociological in[illegible] to the relation of majority and minority grou[illegible]

Note to subscribers: Kindly notify CURRENT HISTORY of any change of address. Notification, in order to be effective for the immediate issue, must be receiv[illegible] at the offices of CURRENT HISTORY 63 Park Row, three weeks before date of publication.

THE SCHWEINLER PRESS, N. Y.

YOU DON'T SEE COTTON *near the* CUSTER BATTLEFIELD

DROP OVER the grease-wood hump from the Yellowstone Valley of Montana into the Big Horn Bas'n of Wyoming. It's new country... here and there a buffalo skull. You talk to the son of a chief who fought Custer.

Or cut across the Cheyenne plains and down the old Oregon trail of Nebraska. In these basin lands of the high West you are amazed by beautiful farms, checkerboards of lush green—smack up against the yucca, the sage, the slabs of sunburnt prairie. The greenness tells the miracle of water. You see *canals, ditches, reservoirs, impounding far-off* mountain snows for a land of little rain.

What crop for this reclaimed desert? This pioneer problem was answered best by the green gold of the sugar beet. Better than any other crop has the sugar beet repaid the cost of water. Moreover, other crops grow better after beets. One reason is that the beet is intensely cultivated. The land is well fertilized and left clean of weeds. Feeding beet by-products to livestock increases the supply of animal fertilizer for other crops.

Farmers the world over recognize th need for at least one row crop—a cult vated crop like corn, cotton, potatoes, sug beets, etc.,—to be grown in sequence wit small grains, legumes and grasses. Withou such a crop there can be no efficient farn ing. Some corn is grown on the cool uplan West . . . but not like the imperial corn the humid Mississippi Valley. You can't gro cotton. Potato soils are limited. Without tl beet the Western farmer would lack a maj cultivated crop.

So it is that the sugar beet has become tl *most profitable crop,* the best crop for pa ing water costs, the most dependable cro for intensive row cultivation! And bett than others for resisting pests, drouth, fro and hail. Out West a "beet contract" is lil money in the bank.

Sugar beets in more than a third of the stat of the Union—from the Pacific to the Gre Lakes—contribute vast quantities of pu sugar to America's sugar bowl . . . enoug to satisfy the annual requirements of million people.

One of a series of advertisements to promote the sale of beet sugar and to remind America of the resourcefulness, efficiency and necessity of the beet sugar industry.

"The Silver Wedge," a booklet describing the beet sugar industry, has recently been published. A limited number of copies are available for distribution on request.

UNITED STATES BEET SUGAR ASSOCIATIO

634 GOLDEN CYCLE BUILDING — COLORADO SPRINGS, COLORADO